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Canada. Veterans Affairs, Special Committee on,
1947/48

SESSION 1947-1948
HOUSE OF COMMONS

7200
(38)

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE *Reports*

No. 1

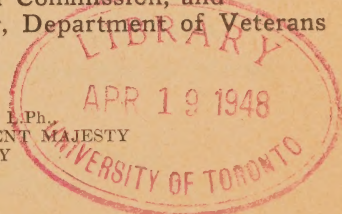
Wednesday, March 10, 1948

Monday, March 15, 1948

WITNESSES:

Major-General C. B. Price, Dominion President, and Mr. J. C. G. Herwig,
General Secretary, the Canadian Legion of the B.E.S.L.;
Colonel E. A. Baker, Chairman, and Mr. J. P. Nevins, Secretary of the
National Council of Veteran Associations in Canada;
Hon. Lt.-Col. the Rev. S. E. Lambert, President, The War Amputations
of Canada;
Lt.-Col. Charles Young, Vice-President, Army, Navy and Air Force
Veterans in Canada;
Judge F. G. J. McDonagh, President, Canadian Pensioners' Association of
the Great Wars;
Mr. W. C. Dies, President, Sir Arthur Pearson Association of War Blinded
in Canada.
Mr. John G. Counsel, President, Canadian Paraplegics Association;
Major Earl Hand, President, Canadian Corps Association;
Mr. J. L. Melville, Chairman, Canadian Pension Commission, and
Mr. E. L. M. Burns, Assistant Deputy Minister, Department of Veterans
Affairs.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1948



SPECIAL COMMITTEE

ORDERS OF REFERENCE

MONDAY, 8th March, 1948.

Resolved,—That a Select Committee be appointed to consider the legislation relating to pensions, treatment and re-establishment of former members of His Majesty's armed forces and of other persons who have been otherwise engaged in pursuits closely related to war, and to make recommendations from time to time in respect thereto.

That the Committee shall have power to send for persons, papers and records, and to print such papers and evidence from day to day as may be ordered by the Committee.

That the Committee shall have leave to sit while the House is sitting.

That eighteen members of the Committee shall constitute a quorum.

That the Committee shall consist of Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Croll, Cruickshank, Dickey, Dion, Emmer-son, Gauthier (*Portneuf*), Gregg, Green, Harris (*Grey-Bruce*), Harkness, Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Marshall, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Skey, Tucker, Viau, White (*Hastings-Peterborough*), Wright, and that paragraph 1 of Standing Order 65 be suspended in relation thereto.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

WEDNESDAY, 10th March, 1948.

Ordered,—That the name of Mr. Fulton be substituted for that of Mr. Harkness on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

WEDNESDAY, 10th March, 1948.

Ordered,—That the quorum of the said Committee be reduced from eighteen to twelve members, and that paragraph 3 of Standing Order 65 be suspended in relation thereto.

Attest.

R. S. GRAHAM,
Deputy Clerk of the House.

THURSDAY, 11th March, 1948.

Ordered,—That Bill No. 126, An Act to amend the Pension Act, be referred to the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORT TO THE HOUSE

WEDNESDAY, 10th March, 1948.

The Special Committee on Veterans Affairs begs leave to present the following as its

FIRST REPORT

Your Committee recommends that its Quorum be reduced from eighteen to twelve members, and that paragraph 3 of Standing Order 65 be suspended in relation thereto.

All of which is respectfully submitted.

WALTER A. TUCKER,
Chairman.

MINUTES OF PROCEEDINGS

WEDNESDAY, March 10, 1948.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m.

Members present: Messrs. Baker, Belzile, Bentley, Blair Blanchette, Brooks, Croll, Dickey, Dion, Emmerson, Gauthier (*Portneuf*), Gregg, Green, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Marshall, Moore, Mutch, Pearkes, Ross (*Souris*), Skey, Tucker, Viau, White (*Hastings-Peterborough*), Wright.

On motion of Mr. Croll:

Resolved,—That Mr. Tucker be Chairman of the Committee.

Mr. Tucker took the Chair and thanked the Committee for the honour bestowed upon him.

The Chairman read the Order of Reference.

On motion of Mr. Brooks:

Ordered,—That 1,000 copies in English and 300 copies in French of the minutes and proceedings of the Committee be printed from day to day; and that the Chairman be authorized to order the printing of such additional copies as he may deem necessary.

On motion of Mr. Mutch:

Resolved,—That a Steering Committee consisting of the Chairman and eight members to be named by the Chairman be appointed.

On motion of Mr. Ross:

Resolved,—That upon Bill 126, "An Act to amend the Pension Act" receiving second reading and being referred to the Committee, witnesses be heard representing the Canadian Pension Commission, the Canadian Legion of the B.E.S.L., and the National Council of Veterans Associations; but that until such time as the Bill is before the Committee no representation from veteran organizations or others be considered.

On motion of Mr. Mutch:

Resolved,—That the Committee recommend to the House that its quorum be reduced from eighteen to twelve members.

It was agreed that all questions relating to agenda and procedure be referred to the Steering Committee for its recommendations.

The Chairman tabled the report of the Commission appointed under the provisions of Part I of the Inquiries Act by Order in Council P.C. 4980 dated December 4, 1947, as amended by P.C. 75 dated January 8, 1948, and the Clerk was ordered to make copies thereof available to Members of the Committee.

On motion of Mr. Brooks:

Ordered,—That copies of the final report of the Special Committee on Veterans Affairs, session of 1946, be distributed to members of the Committee.

At 11.10 o'clock a.m., the Committee adjourned to the call of the Chair.

A. L. BURGESS,
Clerk of the Committee.

MONDAY, March 15, 1948.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., the Chairman, Mr. Walter A. Tucker, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Croll, Cruickshank, Diekey, Dion, Emmerson, Fulton, Gregg, Green, Harris (*Grey-Bruce*), Herridge, Isnor, Juras, Langlois, Lennard, McKay, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Skey, Tucker, Viau, White (*Hastings-Peterborough*), Wright.

In attendance: Major-General C. B. Price, Dominion President, Mr. J. C. G. Herwig, General Secretary, and Mr. A. A. Robinson, Senior Pension Officer, Canadian Legion of the British Empire Service League; Colonel E. A. Baker, Chairman, and Mr. J. P. Nevins, Secretary, National Council of Veterans Associations in Canada; Hon. Lt.-Col. the Rev. S. E. Lambert, President, and Messrs. J. Ross LeMesurier, J. G. Desbiens, J. Williams, Jim MacDonald, Rudy Lacasse and Dick Turner of the War Amputations of Canada; Lt.-Col. Charles Young, Vice-President, Army, Navy and Air Force Veterans in Canada; Judge F. G. J. McDonagh, President, Capt. Tom E. Bowman, and Messrs. B. Freedman, A. T. Pollock, P. Thorpe, and R. C. Keane of the Canadian Pensioners' Association of the Great Wars; Mr. W. C. Dies, Captain Fred Woodcock and Messrs. C. R. Wilson and Elmer Tuirrell, of the Sir Arthur Pearson Association of War Blinded in Canada; Messrs. John G. Counsell, President, and G. K. Langford, A. C. Clarke, A. G. Bagnato, Charles Kelsey, Harry Ward, H. N. Kelly, William Handley and J. A. L. Robichaud of the Canadian Paraplegics Association; Major Earl Hand, President Canadian Corps Association; Mr. J. L. Melville, Chairman, Canadian Pension Commission; and Mr. E. L. M. Burns, Assistant Deputy Minister, Department of Veterans Affairs.

The Chairman reported that, pursuant to resolution adopted at the last meeting the following had been named as a steering committee: The Chairman and Messrs. Bentley, Brooks, Croll, Emmerson, Green, Langlois, Mutch, Quelch.

The Chairman also reported that the Steering Committee had met on Thursday, March 11, and had agreed to recommend;

1. That the next meeting of the Committee be called for Monday, March 15, at 10.30 a.m.

2. That representatives of the Canadian Legion and of the National Council of Veteran Associations in Canada be heard at the Monday meeting.

3. That officers of the Canadian Pension Commission and of the Department of Veterans Affairs be heard on Tuesday, March 16.

On motion of Mr. Mutch:

Resolved,—That the First Report of the Steering Committee be concurred in.

General Price was called, presented a brief on behalf of the Canadian Legion which is printed as Appendix to this minutes of proceedings and evidence, was heard and questioned.

Mr. Melville was called and questioned.

Mr. Herwig was called and questioned.

Colonel Baker was called and introduced the members of his delegation.

Colonel Lambert was called, presented a brief on behalf of the National Council of Veteran Associations and was questioned.

Major Hand was called, presented a brief on behalf of the Canadian Corps Association and was questioned.

Colonel Young was called, presented a brief on behalf of the Army, Navy and Air Force Veterans in Canada and was questioned.

Captain Counsell was called, presented a brief on behalf of the Canadian Paraplegics Association and was questioned.

Mr. LeMesurier was called and presented a brief on behalf of the War Amputations of Canada.

At 12.45 o'clock p.m. the Committee adjourned until 4.00 o'clock p.m. this day.

AFTERNOON SESSION

The Committee resumed at 4.00 o'clock p.m., the Chairman, Mr. Walter A. Tucker, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Croll, Cruickshank, Dickey, Dion, Emmerson, Fulton, Gauthier (*Portneuf*), Gregg, Herridge, Isnor, Langlois, Lennard, McKay, Moore, Mutch, Quelch, Ross (*Souris*), Tucker, Viau, White (*Hastings-Peterborough*), Wright.

Examination of the witnesses was continued.

Captain Woodcock was called, heard and questioned.

At 4.30 o'clock p.m. the Committee adjourned to attend a division of the House.

At 4.50 o'clock p.m. the Committee resumed.

Mr. Desbiens was called, heard and questioned.

The witnesses retired.

At 5.45 o'clock p.m. the Committee adjourned until 10.30 o'clock a.m. Tuesday, March 16.

A. L. BURGESS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

March 15, 1948.

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Before I introduce the first delegation I should report to you the result of the meeting of the steering committee. The committee was named as follows: Messrs. Bentley, Brooks, Croll, Emmerson, Green, Langlois, Mutch, Quelch and the Chairman. It met on Thursday last and decided that the first meeting would be held at this time and that the first delegation to be heard would be the Canadian Legion and after that the National Council of Veterans' associations. It is felt that we should try to hear both these delegations today; and if it is necessary to do so we should sit in the afternoon. The Canadian Legion are here, ready to present their brief on pension matters. It was felt that as we wanted to get the pensions matter through, perhaps it would be just as well for them to make their submission on pension matters.

The National Council of Veterans' associations—there are twenty-four in that delegation—will be here shortly, I believe.

Hon. Mr. GREGG: Mr. Chairman, if I may interrupt, may I say that that delegation came up on the train this morning and they are now outside. Would it be all right for them to come in?

The CHAIRMAN: Surely. I have not talked to the National Council of Veterans' associations as to whether they are going to limit their presentation or not. Just so that nobody leaves ahead of time, I think Colonel Baker has arranged for a picture to be taken of his delegation, and of course he wants the committee to be present along with the delegation. That picture will be taken at 12.30.

Now, we had some discussion and it was decided that the pension associations' officers would be heard on Tuesday.

Then there was some discussion as to the Pensions Bill itself. It was the unanimous feeling of the steering committee that we did want to get the adjustment cheques out at the very earliest possible date and that we should co-operate to get the necessary authority through parliament. With that idea in mind it was suggested that certain clauses of the proposed bill be not proceeded with at the moment. Now there may be some differences of opinion as to what we actually decided because our discussion was held hurriedly. We only had half an hour before we were required to give up the room. Therefore, I wish to defer reference to that aspect of our affairs until tomorrow because it will take us all day to hear these representations. After hearing the representations we could discuss the matter in the light of what the steering committee suggested. With your permission then, I think we should have the national council come in. There are several paraplegics and amputees and we will just suspend our proceedings until they arrive.

I will just say a word in introducing the Legion. We have with us today General Price, president of the Legion, and several of his officers. On behalf of the committee I wish to say to General Price and his officers that we welcome their presence on behalf of the Canadian Legion. They will give us suggestions in regard to what they think should be done about pensions in this country. There has been a wonderful spirit of co-operation between the

Canadian Legion, the members of this committee, and all parliament, in regard to working out these matters in the past. Their representations have been welcomed and valued. It has been helpful to hear their opinion as to what should be done with regard to rehabilitation, pensions, etc., for ex-servicemen. On behalf of this committee I would welcome General Price and ask him to make his presentation.

The CHAIRMAN: Now, gentlemen, we will hear from General Price.

General C. B. Price, C.B., D.S.O., D.C.M., President, The Canadian Legion, called:

General PRICE: Mr. Chairman and gentlemen: I do thank the chairman for his kindly introduction to the Legion and for the privilege of appearing before this committee on what we feel are such vital matters. The Legion realizes the excellence and generosity of the arrangements made for the rehabilitation of the members of the forces on their return to civil life, and this brief does not infer any lack of appreciation on our part, but we have been watching for the past two years, with growing concern, the plight of the disability pensioner and his family, the widows and children of those who gave their lives and the aged ex-service men living on war veterans' allowance.

Our approach to this problem is based on the fact that under present conditions the man who gave his health or the widow, whose husband gave his life, and her children are forced on to a lower standard of living through their sacrifices which, we are convinced, the nation does not desire, and our main plea is on behalf of these disabled men and aged war veterans who can no longer help themselves, and the widows and children of those who gave their lives in the service of their country.

Our representations are based on the belief that there is no evidence that the cost of living will recede substantially within the next five or ten years or ever return to pre-war levels. While the majority of pensioners may be earning a living, it is also true that the majority are in the lower income brackets as the result of their handicaps and their pensions are an essential part of their income. The Legion believes there should be a better deal for war orphans. We referred to this in our briefs to the parliamentary committee in 1945 and 1946, but nothing has been done to provide education, vocational training or other assistance to establish them in useful occupations and give them the same opportunities that they would have had if their fathers had returned other than the extension of children's allowances to the age of twenty-one. The Legion feels strongly that this is an obligation of the State. We realize that these proposals add to the Canadian taxpayers' burden, but it is an obligation that must be met and the great majority of our members, who are pressing for this relief are taxpayers and are prepared to carry their share of the burden; I have found the same spirit among the ordinary citizens from one end of the country to the other.

Mr. Chairman, if I may, I will read our recommendations with a short resume of the comments rather than take the time of the committee to read them in full. I think the resume will enable them to interpret the comments as they study them later.

Our first recommendation concerns the increase to offset the cost of living, the increase of 25 per cent. Our recommendation is,

1. That all pensions awarded under the Canadian Pension Act be increased by 25 per cent, either as a revision of the present rate or as an addition to pension by way of a cost of living bonus.

Our comment is that disability pensions are compensation for injuries or disabilities suffered as a result of war service and it was never intended that

they should be at bare subsistence level. The present rates were established in 1925 when the cost of living index was 121·8; the most recently published figure is 150·1. The new rates proposed by the government go some way towards rectifying the situation, especially as they appear to be a permanent revision but unless the cost of living comes down immediately, some extra compensation must be provided, even if it is in the form of a temporary bonus, to bring them up to a proper level.

Now, the second recommendation concerns the helplessness allowance. Our recommendation is,

2. That maximum helplessness allowances be increased to \$1,400 to offset the rising cost of living, and that anomalies resulting from differentiation in rank be removed.

Experience has shown that even without the increased cost of living the present helplessness allowance is hopelessly inadequate in many cases. The Legion is particularly concerned about the totally incapacitated pensioner who needs constant attendance and care. In this class Canadian pension rates are not the highest in the world. The United States pays as high as \$360 per month for certain types of disabilities. The Legion suggests a minimum of \$2,400 per annum for this type of case, covering both pension and helplessness allowance. This is a small group, and so the total amount involved will not represent a very great drain on the country's resources, but in view of their condition it is a most important one, which should be looked after, as with their helplessness the increase in the cost of living is lowering their standard of living—in some cases below bare subsistence—which we are trying to avoid.

We note that the bill partially removes the anomaly as set out in the Table in our Brief but we wish to register our objection to the principle, in granting helplessness allowance, which does not observe the differences for senior ranks as set out in the original pensions. The same factors that make the higher pension necessary apply in the case of a senior officer who is in the situation requiring helplessness allowance.

3. *Stabilization of Pensions—World War 1*

RECOMMENDATION—THAT the Pension Act be amended so as to stabilize the pensions of World War 1 pensioners, but permitting upward revision of pensions in cases where the disability has progressed by an extension of the automatic increase principle.

The average age of the pensioner of World War 1 is 59. At this age the chance of a pensionable disability improving to any appreciable degree is most unlikely. Cutting pensions at this age is not an economy and gives rise to great discontent and feelings of injustice.

The principle of granting automatic increases with advancing age has already been established in the case of pensioners suffering from gunshot wounds. The same principle should now be applied to all World War 1 pensioners, and thus bring to an end a discrimination that is felt to be unjust.

4. *Elimination of Exceptions under Section 11 (c)*

RECOMMENDATION—THAT pension shall be paid for the entire disability of any man or woman who served in an actual theatre of war except only if it was obvious at the time of enlistment

The exceptions allowed under section 11(c) of the Pension Act have resulted in insignificant statements made by the pensioner at the time of enlistment being magnified into admissions of pre-war disabilities which have not, in fact, existed. Therefore, experience has convinced us that the only cause for classing a disability as pre-enlistment is the fact that it was obvious at the time of enlistment.

5. Fractional Assessments

RECOMMENDATION—That schedule "A" be amended to provide that fractional assessment be determined on progressions of 5% except where disability is considered to be sufficiently compensated by gratuity.

The present practice is to assess pensions in such fractions as 22, 23, 26, 27, 28 and 29% and pension is paid at the lowest figure between ranges of 5%. For example, disability pension is paid at the rate of 25% for all disability rates between 25% and 29%. This proposal would eliminate the intervening fractions between 5 and 10, 10 and 15, 15 and 20%, etc. Thus a pension presently rated at 27% would be assessed at 25%, but a disability presently rated at 28% would be assessed at 30%.

That is our presentation. I have some officers from headquarters here whom, if I may, I will present to you and the committee, and collectively we will endeavour to answer any question any member wishes to ask.

The CHAIRMAN: Thank you.

GENERAL PRICE: Mr. George Herwig is our general secretary. Mr. Anderson is our assistant general secretary. Mr. Robinson is from our service bureau. Mr. Douglas Smith is executive assistant, and Mr. John Hundevad is the editor of *The Legionary*.

The CHAIRMAN: Does anyone wish to question General Price? Thank you very much, General Price, for your presentation.

Mr. FULTON: Before you dismiss General Price...

The CHAIRMAN: I was not going to dismiss the witness. I felt I should thank him anyway. It was a very concise presentation.

Mr. FULTON: General Price, would you care to enlighten the committee, and I would ask you to enlighten me, on your views as to the relation between the pension rate and the current level of wage and salary rates. You have referred to the cost of living. I do not think there is any question as to the relationship between the pension and the cost of living, but how closely do pension rates follow wage rates?

GENERAL PRICE: May I ask our general secretary to answer that?

Mr. HERWIG: Mr. Chairman, in view of the fact the pension is based upon the ability of the pensioner to perform labour in the common labour market we think the pension should bear some relation to common labour rates which would average about 55 cents an hour throughout Canada, and on an 8-hour day that would average about \$100 a month.

Mr. SKEY: May I ask the general secretary if he is in agreement with the basis for assessment of pensions as regards common labour? Do you think that is a fair way to gauge pensions, on the common labour market?

Mr. HERWIG: That touches the basic principle of the pension awards. We have been using it for the last 25 years, and I would not like to open up a discussion on that at this moment. We have asked for a 25 per cent increase which would bring it practically up to the level of the rate that I have just quoted.

Mr. SKEY: Which is the common labour rate.

Mr. BROOKS: That 25 per cent would mean about \$93.75 for a single man?

Mr. HERWIG: That is right.

Mr. PEARKES: You are not advocating \$100 for 100 per cent disability?

Mr. HERWIG: We are so close to the \$100 we do not think there is much difference there. We would be quite willing to accept \$100 if you would like to recommend it.

Mr. MUTCH: Actually you have never advocated it? We tried to make a considered and logical presentation in support of the 25 per cent, based on what has gone on before, and in an effort to justify it.

The CHAIRMAN: I think what the committee had in mind was as to how you arrive at that 25 per cent. I believe you based it on what you call the wage rates being paid to the average working man throughout Canada. Wasn't that it?

Mr. HERWIG: We introduced the wage idea as a supplementary argument to support our 25 per cent increase request.

The CHAIRMAN: What was that?

Mr. HERWIG: The 25 per cent is based on the fact that in 1926 the cost-of-living index was 121 and when we prepared our brief it was 146; in other words a 25 point rise in the cost-of-living index. That is why we asked for a 25 per cent increase. That 25 per cent increase does match the increased cost of living rates to which reference has just been made.

Mr. BROOKS: Might I ask Mr. Herwig, do you take into consideration the increase in the general standard of living today as compared to what we knew back let us say in the 1920's; that is, there are many things which today are considered necessary and essential which were not considered as such in 1921 to 1925 or 1926.

Mr. HERWIG: I think in his opening remarks General Price urged that the present standard of living be not allowed to slip back.

Mr. BROOKS: Do you think it could be done on that increase of 25 per cent?

Mr. HERWIG: That is the substance of our submission, but it might take more.

Mr. BENTLEY: Might I ask the witness if they have received representations from municipalities, municipal governments such as village and town councils urging them to ask for a 33 $\frac{1}{3}$ per cent increase in present rates and, if so, if you have considered them very carefully? Many of the members I may say are getting representations indicating that the Legion branches in the country are making representations to these parties for this rise of 33 $\frac{1}{3}$ per cent. I can only assume that the Legion is doing that. I do not know for sure. I believe there are a lot of them doing that.

Mr. HERWIG: I think we will have to recognize that the standard of living varies considerably in different parts of the country. I mentioned that the basic wage rate in Ontario, particularly Toronto and Montreal, wages may go up to 85 cents and in some cases \$1.00 an hour; so what we tried to do there was to average the rate throughout the country and we arrived at 35 cents an hour as probably a not inflated rate.

Mr. HARRIS: You are asking for a decent raise on the assumption that there has not been a drop in the cost of living for some time.

GENERAL PRICE: If I might add just one word; we have put up what we feel is the absolute minimum necessary to achieve what we are out to do for the families of disabled men and for widows, to prevent their being obliged to go on a lowered standard of living. These are the lowest rates by which there seems to be any hope of accomplishing that.

Mr. BROOKS: It is very modest.

Mr. WRIGHT: I am particularly interested in General Price's reference to the education of veterans' children. It seems to me that is one of the basic weaknesses in our present set-up; there is no provision made for the education of children whose fathers died overseas. If those fathers had returned to Canada they would have been entitled to three or four or five years of training either in university or vocational training. Yet there is no provision made as far as their children are concerned. It seems to me that is a basic weakness in our whole

pension scheme; there is no provision made for those children. I was wondering if the Legion had worked out anything which they believe would cover this matter adequately; because I think it is something we have got to deal with in this pension committee, and I believe it should be dealt with this year.

General PRICE: That will be covered, sir, in the second part of our presentation. We mentioned this in the general remarks, and when we come to present the other matters besides pensions we will have some suggestion on that.

The CHAIRMAN: The Canadian Legion understand our anxiety to have the pension matter dealt with and they restricted themselves strictly to the subject-matter of this pension bill. They are going to make another presentation later on.

Mr. QUELCH: I wonder if the Legion have any record of the number of pensions of veterans of the first war that have been reduced in recent years?

The CHAIRMAN: I fancy we could get the exact figures from Mr. Melville.

Mr. HERWIG: They are more than we would like.

Mr. PEARKES: In recommendation 5 they refer to the fractional assessments—increase in pension. Do I understand that a man might have his disability raised from a certain percentage but because it had not been increased by 5 per cent there would be no increase to his actual pension, and that the recommendation of the Legion is that wherever the disability is increased then there would be a pensionable increase as well?

Mr. CROLL: It is just the opposite, I think.

Mr. HERWIG: I think the idea is that it must be very difficult to decide a disability in terms of 1 or 2 per cent; it is much easier to do it on a basis of 5 per cent and it would save a lot of trouble and argument and discussion that we have to go through because of these small distinctions which do mean something in the veterans' pocket. He finds he usually comes out worst.

Mr. PEARKES: Is it not a fact that disabilities are increased now by small fractions? Now, I have a letter this morning—I did not know this point was coming up—where a veteran had his disability increased by a small fraction. He was told he was getting worse, but because the disability had not increased by 5 per cent by the fact that he was getting worse he would get no increase in pension. Your recommendation is that whenever there is an increase in a disability then there will be a corresponding increase in the pension?

General PRICE: No. I think what we want to do is to get both simplification and avoidance of what you mention. Now, as you say, if a man is rated at 26 and he gets up to 29 he will still remain at the same rate. We hope that in setting his disability it will be done in units of 5, and instead of using 28 it will be 30, and he will get the benefit of that. If it was 27 or 26 he would be rated at 25. The increase should be in jumps of 5.

Mr. PEARKES: In fact, you do not recommend telling the veteran he has deteriorated in his condition unless you are prepared to increase his pension at the same time?

The CHAIRMAN: Gentlemen, we have the chairman of the Canadian Pension Commission here. If anything comes up that this gentleman could qualify it might save time for him to speak on the matter and then if the Legion do not agree with him entirely they could express their disagreement. I would dislike having a situation develop where something might be said and the Legion might want to modify the explanation tomorrow and the Legion would not have the right to reply. It might save time, if anything comes up in the course of the presentation of the Legion or any of the delegations, if the chairman of the Pension Commission wishes to comment we let him do so. He would like to comment on this matter.

Mr. MELVILLE: Mr. Chairman and gentlemen, no assessment of pension is ever made at any time with a fraction less than 5 per cent. Where those odd fractions arise is in a case where a man has a disability assessed at 30 per cent and he has entitlement for an aggravation of one-fifth; one-fifth of 30 is 6 per cent. That is where those odd percentage figures are arrived at.

Again I repeat that in no instance whatsoever is a pension ever assessed at a fraction less than 5 per cent.

The CHAIRMAN: On that point: suppose you had a pension of 75 per cent and it was assessed at, say three-fifths, then you would take it at the lowest 5 per cent instead of the closest, would you not? That is what the Legion is getting at.

Mr. MELVILLE: In the case quoted by the chairman that disability was assessed at 75 per cent and he had entitlement for two-fifths; two-fifths of 75 per cent is 30 per cent and that is what his pensionable disability would be. What does govern this, gentlemen, is the Act—schedule A of the Pension Act. In schedule A of the Pension Act, for instance, class 12 in the assessment of pensions of from 45 to 49 per cent, that is where these various groups are—

The CHAIRMAN: Suppose it is 45 per cent and you assess the aggravation at two-fifths—that would be 18—now the Legion say it should be put at 20 per cent and they say you now put it at 15.

Mr. MELVILLE: It still remains at 18, but the Act provides that where the disability is between 15 and 19 per cent a class 18 pension shall be paid.

The CHAIRMAN: The 15 per cent shall be paid?

Mr. MELVILLE: That is right.

The CHAIRMAN: And the Legion are saying, as I understand, that if it is 18 per cent it should be brought up to 20 rather than have it brought back to 15?

General PRICE: Yes, we are asking for that.

Mr. MUTCH: In effect, what is being asked for is a broader scale of pension. Whereas we now have eleven groups between 12 and 50 per cent this would involve having that number doubled.

The CHAIRMAN: No. They say that when it is 15 or 16 per cent it is all right to leave it at 15, but when it goes up to 18 it should be raised to 20 per cent.

General PRICE: That is right.

Mr. MUTCH: That would double the number of classifications.

The CHAIRMAN: No.

Mr. HERRIDGE: Take the case of a man injured in the second world war. His pension assessment is 79 per cent and he receives 75 per cent pension. That is something that should be remedied because that leaves a sense of injustice in the mind of the soldier. His disability is 79 and according to the Act he has a 75 per cent pension.

Mr. MUTCH: How does he get that 79 per cent, in view of what Mr. Melville said?

Mr. HERRIDGE: I have no knowledge.

Mr. MELVILLE: Because he has a fixed assessment on a multiple of 5 per cent for one disability and added to it he has an aggravation for another condition which may be 14 per cent. Fourteen per cent added to 65 per cent would give 79 per cent, which Mr. Herridge mentioned.

Mr. HERRIDGE: It is an accumulation of pension disability rather than a straight assessment.

The CHAIRMAN: Mr. Melville, would there be any difficulty for the administration to provide in the Act that the pension should be set at the class to which the actual figure was closest to? In other words, if it was 18 per cent

it would be put at 20 per cent and if it was 17 per cent it would be put at 15 per cent; would there be any difficulty in the way of administration?

Mr. MELVILLE: No, no difficulty of administration whatsoever; it would require an amendment to the Pension Act.

Mr. BROOKS: Mr. Chairman, reverting back to the cost of living and wages, I would like to ask why 1926 was taken as a base instead of 1939? Now, I ask that because when the Minister of Finance was quoting some figures in the House not so long ago he took 1939 and established the increase in wages of different occupations for 1939 as a basis and established the increase in wages industry at 163·6; the logging industry, 223·3; coal mining, 157; mining, 151; metals 148, and so on. The last one was finance itself, which stood at 129·6. It seems to me by taking 1926 as the basis that the whole thing is out of focus altogether. You cannot go back to 1926—that is over twenty-two years ago—to get a proper picture.

General PRICE: As I understand it, that was when the pensions were set; and we are putting forward just as moderate a presentation as we can consistent with getting relief and justice for the people for whom we are speaking; and it just shows the relation of the cost of living to when the pension was set, and we have added to that the increase in the standard of living.

Mr. HARRIS: Are you not talking about wages while he is talking about the cost of living?

Mr. BROOKS: The cost of the wages was put up in those different industries on account of the cost of living. The cost of living was the basis for the increase in wages.

Mr. HERRIDGE: With regard to section 3 of the brief: stabilization of pensions World War I veterans:

"That the Pension Act be amended so as to stabilize the pensions of World War I pensioners, but permitting upward revision of pensions in cases where the disability has progressed by an extension of the automatic increase principle."

What is really intended there by the words "extension of the automatic increase principle"?

Mr. HERWIG: Under the Pension Administration there is provision for the automatic increase of pensions to pensioners who suffered from gunshot wounds, and we want the same principle applied to other pensions for disease disabilities.

Mr. HERRIDGE: I do not see that quite clearly, Mr. Chairman.

Mr. CROLL: He wants it extended to cover rheumatism and arthritis in the same way as it covers gunshot wounds.

Mr. HERRIDGE: Oh, I see.

Mr. QUELCH: With regard to recommendation 4 may I say that the last time we sat we spent a lot of time on that matter and we did arrive at a unanimous decision which later on was turned down by the minister. This recommendation seems different from the one the Legion made before. At that time they put a six months' lag. They allowed six months for the subsequent examination to disclose any disability that a man might be suffering from. Do you still feel that six months should be allowed provided the disability does not show within six months of enlistment?

Mr. HERWIG: We should try to eliminate from the Act any reference to exceptions except where the injury is obvious. The wilfully concealed point does not seem to be working. I do not suppose we can refer to this without referring to a case. Supposing a man had some gastric trouble in 1935, say; he is hospitalized and the report from the hospital when he comes out is negative as far as ulcers are concerned—in other words, he is cured; in 1940 he enlists and, say, in 1942 ulceration sets in. Now, when he comes out of the forces there is reference

to the report which is on file in the Toronto General Hospital—suppose he was in that hospital—that is brought forward as an indication it was a pre-enlistment condition. Now, I do not know—perhaps there is no such word as cure in the medical profession—but that would seem to be evidence that the man was cured. When he went into the forces he was fit, and this ulceration comes up again perhaps in some other part of his stomach; but it would seem to us in a case like that to give him an aggravation for pension defeats the purpose of that section. That section says that a man who served in a theatre of war shall not be penalized for any previous condition that existed in him—if he served in a theatre of war—unless it was wilfully concealed. I do not think that was wilfully concealed. I do not think any layman would say so. He should regard himself as cured. Therefore, ten years afterwards he should not be penalized because of that hospitalization.

Mr. HARRIS: Do you say the Pension Commission says it is wilfully concealed if he does not disclose it?

Mr. HERWIG: Yes, but I do not say it is a wilfully concealed case because it is a case where there is a record of a previous condition.

Mr. HARRIS: That is an entirely different matter. Do you contend that the Pension Commission has been ruling that man out?

Mr. HERWIG: Yes.

Mr. HARRIS: Under the wilfully concealed part?

Mr. HERWIG: No, because there is an examination recorded prior to enlistment.

Mr. PEARKES: Would the speakers please stand up? It is impossible for us to hear them back here.

The CHAIRMAN: That is a good idea.

Mr. CRUICKSHANK: I refer to page 2. Do I understand that the hospital rate is increased from \$6.50 to \$9 a day? What kind of patients are those?

General PRICE: Those are patients who, under the regulations, are not entitled to hospital treatment, but we have been pressing, particularly on account of their service and particularly also on account of the condition of civilian hospitals, that an ex-serviceman who needs treatment can go at his own expense to a D.V.A. hospital.

Mr. CRUICKSHANK: And he is charged \$9 a day?

General PRICE: Yes.

Mr. CRUICKSHANK: There must be good looking nurses in attendance.

Mr. ROSS: Mr. Chairman, it is difficult for us to hear in this corner. However, I should like to say to General Price that I consider his presentation has been moderate and well reasoned. I am going to ask him a question which may be a difficult one. I am asking him if his executive considered that the standard of living will continue somewhat higher than it was previous to 1939. That is a broad question. I am asking that question for this reason: that people to the south of us—their economists—do think that the standard of living is never going back to where it was in the period before the war. I think that has a bearing with the authorities in the increasing of these pensions. They think this may be a peak period and they do not want to set the pensions too high and have to decrease them at a later date. Have you given some thought to that matter?

General PRICE: Based on the progress of history we have never seen the standard of living go back no matter how difficult temporary economic conditions may be, and we believe that will apply now as it has all through history.

Mr. CRUICKSHANK: I am very interested in this matter of the \$9 hospitalization charge. Is that for a totally disabled person?

General PRICE: It might be anything. It is a man going in for treatment which is not attributable to his service.

Mr. CRUICKSHANK: Are you serious in saying that if an ordinary veteran cannot get into a civilian hospital and goes into a D.V.A. hospital they charge him \$9 a day?

General PRICE: Yes. That is something we hope to tackle, but that is the situation now. Of course, there is a concession in allowing a man who is not entitled to go to a D.V.A. hospital to go there. We believe it is a contribution in every way—the recognition of a man's services, and also a great contribution to the terribly overcrowded conditions in our civilian hospitals.

Mr. CRUICKSHANK: I see the reason for getting into the hospital but I do not see the reason for the high rate.

Mr. HERIDGE: With regard to clause 3, where it recommends cases where the disability has progressed being an extension of the automatic increase principle, when men get on in life such complaints as rheumatism and others increase very rapidly. Now, would an injustice be suffered by some of the veterans if that reduction were accepted, if an increase in disability was far greater than that allowed by that automatic increase?

The CHAIRMAN: Perhaps, to clear the whole matter up, we might have an explanation from Mr. Melville, in what cases and under what circumstances that automatic increase takes place.

Mr. MELVILLE: Mr. Chairman and gentlemen, it is not a provision in the Pension Act. You will find nothing in the Pension Act that provides automatic increases for age; but it is provided for in the table of disabilities. The table of disabilities provides for a member of the forces who incurs severe gunshot wounds resulting in amputation, or very severe gunshot wounds, and his disability is assessed at 50 per cent or more. When he reaches the age of 55 his pension may be increased; if he has a 50 per cent pension, to 60 per cent; when he reaches the age of 57 by an additional 10 per cent to 70 per cent; and when he reaches the age of 59, by an additional 10 per cent, to 80 per cent. The reason is that these cases have fixed disabilities; they are amputation cases or very severe gunshot cases whose disabilities are fixed in assessment, and with advancing years the disability becomes a much more serious handicap. Cases of disease are entitled to reexamination from time to time as provided for in the Pension Act, and the assessment of the degree of disability is in accordance with what is found at the time of the examination. There is no reason why it may not progress from 10 per cent to 100 per cent.

The CHAIRMAN: When a person gets to a certain age he has a great feeling of frustration and so on if his pension is reduced. Now, I think there is a feeling that when a certain age is reached his pension should not be reduced if he ventures to have a further examination and the doctors are of the opinion that he is not in quite as bad shape as when they last examined him. There is a feeling that that prevents people from applying for reconsideration because they fear their pension might be cut down. Now, what do you say as to the possibility of saying that at a certain age the pension would not be reduced any more from then on and if they applied they can get the pension raised, but they are not liable to have it cut down? That is the thought of a lot of veterans.

Mr. MELVILLE: Mr. Chairman, I was prepared to speak to this question. It would take a little time because I think the committee must have a proper understanding of commission policy; but I shall be glad to place that information before you at a later date if that suits.

Mr. CRUICKSHANK: May I ask Mr. Melville if he has any knowledge with regard to this matter of \$9 a day for hospitalization? Have you any knowledge of how they arrived at the figure of \$9 for care of a veteran in hospital?

The CHAIRMAN: Might I suggest, Mr. Cruickshank, that that is not really a pension matter and that it be brought up at another time when we will produce the right man to answer that. I do not think Brigadier Melville has anything to do with setting the rate. If you want to hear from the acting deputy minister and take time to deal with that matter now, we can do it.

Mr. CRUICKSHANK: I am much impressed with the recommendation from the Legion. They have been paying less than \$4 for totally hospitalized people, yet we hear now that for a man who is in the hospital with all the facilities available it costs \$9 a day.

The CHAIRMAN: Perhaps, since that point has been raised, it would be a good thing to have General Burns say a word on it or probably it would be better to have the matter brought up later.

Mr. LENNARD: We should not carry on this way. We do not want, a week from now, to have somebody stand up and say that because of our hindering progress in this committee these boys are not going to get their cheques. We do not want that to happen.

The CHAIRMAN: I am in agreement with you.

Mr. LENNARD: We want to get those cheques through speedily.

The CHAIRMAN: I think we are all in agreement with that.

Mr. WHITE: I should like to ask the chairman of the Pension Commission a question with regard to the remarks he made about automatic increases. The chairman mentioned that applied to cases of 50 per cent and over, and there was no provision in the Act. Do I understand those increases are automatic when you reach 55, 57 and 59, or is the pensioner called in and subjected to a medical examination, and is there discretion in the commission as to whether or not he gets the increase?

Mr. MELVILLE: If the pensioner is an amputation case and his disability is assessed at 50 per cent he is not called in. A man in that category is not called in for re-examination unless he complains about some other condition, or he thinks he has a greater disability of that amputated limb. When he reaches the age of 55, and we keep records of the age of all these pensioners, he gets an automatic increase. His file is passed from the Pension Commission to the chief treasury officer with advice the pensioner reached the age of 55 on a certain date, and accordingly his pension is increased from 50 to 60 per cent. Two years later it is reviewed again.

Mr. WHITE: You speak of amputations. Take the case of other veterans who have not amputations but gun-shot wounds. Does the same practice and principle apply or are they called in?

Mr. MELVILLE: Severe gun-shot wounds similarly assessed are dealt with in exactly the same manner.

Mr. WHITE: Then it does not automatically apply to all gun-shot wounds but to pensioners who have gun-shot wounds with a disability of 50 per cent or over. You decide whether or not they are serious enough to increase them.

Mr. MELVILLE: If the gun-shot wound is a serious gun-shot wound assessed at 50 per cent or more the Commission, in accordance with the provision in the table of disabilities, takes the same automatic action as is taken in the case of amputation cases, but the gun-shot wound may be a minor one from the point of view of assessment.

Mr. WHITE: It could not be very minor if it was 50 per cent or over?

Mr. MELVILLE: I say that is a severe wound and is dealt with in the automatic manner which I have stated.

Mr. LENNARD: What happens those below 50 per cent, with a 45 or 40 per cent pension for a gun-shot wound?

Mr. MELVILLE: The provision is in the case of assessment at 50 per cent or more.

Mr. WRIGHT: I should like to mention one matter. Mr. Quelch dealt with section 4 of the brief. I think probably that is one of the most contentious parts of our pension legislation, the matter of pre-enlistment disability. We dealt with it last year and made certain recommendations that were not carried into effect. The Legion are again presenting their case with regard to it this year.

I should like to ask Brigadier Melville the number of cases affected in paragraphs (a) (b) and (c) mentioned here in the Legion brief. Section (a) is if the disability is wilfully or deliberately concealed at the time of enlistment. How many pensions have been refused on that basis? Then we have disability obvious on enlistment and disability recorded on medical examination prior to enlistment. I know there is a great deal of discontent among veterans because at some stage during their service they made a certain statement to the doctor which has been marked down on their medical sheet, and as a result of that on discharge they are finding that their pension has been cut down because of pre-enlistment disability. I should like to know the number of cases that are affected, if Brigadier Melville has them.

Mr. MELVILLE: I have not those figures with me. I will make inquiry of the officer in charge of records to see if they are available, and if so I will produce them at the very earliest moment to this committee.

The CHAIRMAN: May I say on a point like that I think it was the feeling of the steering committee, and it is for you people to say whether or not you agree with it, that that matter is one which will cause considerable examination and discussion. I think it was felt that should be put over for later consideration. I think that was the feeling of the steering committee, and that we should concentrate at the present time, if possible, on a sort of bare minimum to get the cheques out.

Mr. WHITE: If you are going to deal with increased pensions perhaps the chairman of the Pension Commission will be able to give us some information as to how his commission or his officers arrived at the basis of the \$12 increase, how they worked out the \$12 as compared with the basis used by the Legion.

The CHAIRMAN: I think it would be a very good thing if members would give Brigadier Melville an idea of any questions that they have in mind at the present time, and then he may prepare himself. It is a good thing to bring that out.

Mr. BENTLEY: In that connection I should like Brigadier Melville to go a little bit further with his reply to Mr. White's question. Is a 50 per cent disability on account of a gun-shot wound considered severe? Is it the fact it is 50 per cent that makes it serious and makes it automatic?

Mr. MELVILLE: That is quite correct. A gun-shot wound assessed at 50 per cent or more is considered to be a severe gun-shot wound.

Mr. BROOKS: Suppose a man has a gun-shot wound and some other disability and his total disability is 50 per cent; would he get an automatic increase or would it only be based on the amount of disability for his gun-shot wound? Suppose he was assessed at 20 per cent for the gun-shot wound and 30 per cent for some other disability?

Mr. MELVILLE: No, he would not be entitled to the automatic increase because the other disability would likely be subject to re-examination and re-assessment from time to time.

Mr. PEARKES: I think it confuses the problem to refer to it as a serious gun-shot wound. A man might have a very serious gun-shot wound which would not cause permanent disability. He might have been very near death

when he received his gun-shot wound, but it would not leave any permanent disability. Is the man who has received a very serious gun-shot wound, and perhaps does not get a disability which comes up to 50 per cent, entitled to it because it is considered serious? I suggest the word "serious" be left out of this discussion altogether. I do not think it has got anything to do with the automatic increase. The automatic increase is given on the disability, not on the seriousness of the gun-shot wound.

Mr. BENTLEY: I think it was only fair in the first instance.

The CHAIRMAN: Are there any other questions on this point that we are concerned with particularly this morning?

Mr. MOORE: I have one point I should like to bring up. I have had quite a large number of letters from veterans who have from 30 to 40 per cent disability. Unfortunately these men were working at manual labour when they went into the service. Now they come back to their former jobs and they are unable to perform them because of disability, and yet they cannot get other positions. Are there going to be any steps taken to provide such men as these with a pension greater than what they would get from their 30 or 40 per cent disability, taking into consideration the fact these men cannot be trained for anything else?

The CHAIRMAN: That is a matter which raises the whole question of the table of disability. They have spent the last thirty odd years trying to work that out on a fair basis. I think that is something that the committee might discuss, whether the table of relative disabilities is fair and just under present conditions, but that raises a very big question, and I think it is something we might be able to take up later.

Mr. MUTCH: Is that not a question which will automatically come up when we come to consider war veterans allowance because it is in the nature of being supplementary to physical disability. It seems to me it might be more properly discussed on that.

The CHAIRMAN: It comes up in connection with the administration of the Act because the table of disabilities is part of that administration. I think that is right.

Mr. MELVILLE: Yes.

Mr. BLAIR: I suggest we confine ourselves to the Legion brief because these other people are waiting.

Mr. SKEY: Mr. White has asked Brigadier Melville to bring down figures as to how D.V.A. arrived at the \$12 increase. I should like to ask if he could also produce figures as to how they arrived at the assessment for helplessness and monthly pensions. I see on page 2 that actually those in senior rank are now going to get less than captains and those below. Although it was a democratic army I do not feel that the men want to see their senior ranks discriminated against in that manner. I think there should be some explanation offered to our committee on that point, and perhaps a correction made immediately.

Mr. HARRIS: Before anybody takes time out on that one, I speak with deference, but it seems to me that is government policy. We should not ask Brigadier Melville to explain how he arrived at it.

Mr. SKEY: Perhaps the chairman will bring an explanation from the government.

The CHAIRMAN: It should be said that the purpose of the bill is to bring the total compensation of a person who is in receipt of helplessness allowance to the same total figure with his pension in all cases whether he is a private or a general. That is the purpose of the bill. If there is not an amendment made a lieutenant-colonel would, in view of the raise in rates to privates, would get less

than a private. The idea is to bring the higher ranks at least up to the level in total compensation with what a private is getting. That is the purpose of the bill.

Mr. QUELCH: Is it understood we are only going to deal with the increase in pensions now and that the Legion will give evidence on other matters later?

The CHAIRMAN: Yes.

Mr. WRIGHT: If that is all it narrows the question down immediately as to whether or not this committee believes that the present increase is sufficient. As far as I am concerned I do not think it is. I think as far as the majority of the members of this committee are concerned they do not think it is. As to the action that the committee wants to take with respect to it, if it is going to be narrowed down to that one point, then I think we should deal with it right now.

Mr. CROLL: If we stop talking we will deal with it. I thought the chairman should have explained originally that the steering committee had in mind that we would deal with this matter, and this matter alone, as quickly as we possibly could. We have still got to hear about the administrative machinery tomorrow. If we get through with this and hear the other gentlemen who are here we can hear about administration tomorrow and make up our minds immediately afterwards and get it into the House. That is the purpose. We will have our other discussion afterwards.

The CHAIRMAN: Any further questions?

Mr. WRIGHT: In that case I move that in the opinion of this committee—

Mr. MUTCH: You have not heard the rest of the witnesses.

The CHAIRMAN: Thank you very much, General Price and Mr. Herwig. We also have with us the National Council of Veteran Associations in Canada. Colonel Baker is here, and he has brought along various members of the veteran associations. We would all like to meet the gentlemen they have brought along and know who they are. I would ask him to introduce the members of his delegation to the committee. I think the committee would appreciate it very much.

Hon. Mr. GREGG: Before Eddie Baker starts I should like to deal with the point made by Mr. White and Mr. Skey with regard to how the proposed increases were arrived at. I think it only fair to state to my officials that as to the method by which that was arrived at the question should not be directed primarily to the deputy minister or the chairman of the Pension Commission but to me as minister and my parliamentary assistant. I should also like to say that in the preparation, of course, the officials provided all the information that was required, as well as representatives of the veterans organizations themselves. I want to make that point as I will have to leave shortly for another meeting and I do not want to leave it up in the air.

Mr. SKEY: Can the minister bring us tomorrow some idea of the figures and the way in which the increase was figured out by the government?

Hon. Mr. GREGG: If it is on the agenda tomorrow I will attempt to do so.

The CHAIRMAN: Colonel Baker is here leading the delegation on behalf of the National Council of Veteran Associations in Canada. I would say to Colonel Baker and his association on behalf of the committee that we welcome them here very heartily this morning. We have always appreciated the co-operation and support you have given this committee and previous committees in helping them to work out veterans' problems. We welcome you here very heartily this morning.

Colonel BAKER: Mr. Chairman, Mr. Minister, General Price and gentlemen: May I first, with your permission, introduce the delegates who have

come with us. May I call on Captain John Counsell, representing the Canadian Paraplegic Association.

Captain COUNSELL: Gentlemen, we have with us today from the Canadian Paraplegic Association four paraplegics from Toronto and five from Montreal. They have come here to hear this brief presented and, of course, the Canadian Paraplegic Association is completely behind the brief. Over there are Major Robichaud from Montreal, Ken. Langford, general secretary of the Association, from Toronto, Tony Bagnato from Toronto, Andy Clark from the west, Mr. H. N. Kelly from Montreal, Mr. Wm. Handley, secretary of the Montreal division, and Charlie Kelsey from Montreal.

Colonel BAKER: The Sir Arthur Pearson Association of War Blinded. I will ask Mr. W. C. Dies, the president, to introduce the delegation.

Mr. DIES: I hope these fellows are in the room. We have first of all our vice-president, Captain F. J. L. Woodcock, who was a prisoner of war for some fourteen months. Would you stand up and take a bow? Then we have from the eastern provinces Dave Ferguson, who was with some Scottish outfit down there. He is our second vice-president. I should tell you that in addition to blindness Captain Woodcock has a very bad shoulder. We are coming around to that multiple disability question later. I do not think Dave has any multiple disability except he is travelling with me. Then we have George Wilson; he is on our executive, too. He has a multiple disability and finds it necessary to wear a plate in his head. Then we have Elmer Tuirrell. He comes from up in the country around Peterborough. Elmer finds it necessary to wear an artificial leg as well as being totally blind. Last but not least and I have got to do this because we are very proud of this gentleman who introduced me—there is Colonel E. A. Baker. He is one of the charter members of our association. You had better take another bow, too.

Colonel BAKER: Then we have Padre Lambert of the War Amputations of Canada.

Colonel LAMBERT: Mr. Chairman and honourable members: We have a few of the old fragments here. There are two from Montreal, Mr. Desbiens and Mr. Williams. They are multiple disabilities. I do not know what their disabilities are. They have both legs off and all sorts of handicaps, but you would not know it. Then we have another who really belongs to Montreal. You may have seen him before. I refer to Mr. Ross LeMesurier, one of the smart young guys whom we have in our dominion command. Then we have Dick Turner from Ottawa. With him he has brought along Roddy Lacasse. He is beside me. He does not look like he has anything wrong but he has a couple of legs off. You would never know it by his optimism. There are Jim McDonald and Dick Turner, Roddy Lacasse, Williams and Desbiens from Montreal, and Mr. Ross LeMesurier. They are just fragments.

Colonel BAKER: Thank you. I will now call on Judge F. G. J. McDonagh, the president of the Canadian Pensioners' Association of the Great Wars.

Mr. McDONAGH: I have with me Captain Bowman from Toronto, our dominion treasurer, Mr. Pollock of Hamilton, Mr. Thorpe of Windsor, and Mr. Freedman of Toronto.

Colonel BAKER: We have here a representative of the Canadian Corps Association, Major Earl Hand, honorary dominion secretary. We have a representative of the Army, Navy and Air Force Veterans of Canada, Colonel Young. Would you stand up and introduce any other members you have here?

Colonel YOUNG: I have with me John Nevins, dominion secretary-treasurer.

Colonel BAKER: Gentlemen, I do not want to waste your time this morning, and with the kind permission of the chairman we would like to proceed to present our brief which I propose to ask Colonel, the Rev. Sidney E. Lambert,

to read to you. Copies will be distributed before he starts to each member of the committee. Then we have some supporting statements from the individual organizations bringing out specific points and cases. May we proceed along that line?

The CHAIRMAN: Fine.

Colonel LAMBERT: We are having some difficulty. Some of our fellows have deafness as a disability. They are not hearing very well. I do not know why we could not have them all up in the ring here. They are all fighting men. I am sure they have not been hearing. They have been complaining to me they have not been hearing.

The CHAIRMAN: We can put their chairs right here in front of you.

Mr. CROLL: They will hear you.

Colonel LAMBERT: If you do not hear we can wheel you up here in the circle. I know that Tony could not hear. If you would like to be wheeled up in the circle it will be quite all right. I am anxious they should hear because they have to go back to their hospitals and they want to hear what we are talking about. When they go back to their hospital unit, or wherever they are going, they want to be able to tell this story that we have to lay before you. This does not take away from the committee, but they are a darn sight smarter than some of those who are here. I think I can read better if I sit down. Do you mind?

The CHAIRMAN: No.

Colonel LAMBERT:

NATIONAL COUNCIL OF VETERAN ASSOCIATIONS IN CANADA

Submission to the Special Committee on Veterans Affairs Appointed by the House of Commons for the Session of 1948, March 1948

Mr. Chairman and Gentlemen: We represent the National Council of Veteran Associations in Canada comprising six member organizations as follows:

- Army, Navy and Air Force Veterans in Canada
- Canadian Corps Association
- Canadian Paraplegic Association
- Canadian Pensioners' Association of the Great Wars
- Sir Arthur Pearson Association of War Blinded
- The War Amputations of Canada.

At our request, and with your kind permission, we desire to formally place before you for your consideration the views and recommendations presented to us by representatives of our member organizations. Each recommendation of our Council has been unanimously endorsed. Each member organization is represented here and will participate as circumstances warrant.

Our National Council is broadly representative of ex-servicemen in general and the disabled in particular. Each of our member organizations is representative of both the First and the Second Great Wars except in the case of the Canadian Paraplegic Association, which for reasons all too well known to you, represents the Second Great War only.

Despite the accentuation of problems affecting an ever increasing number of our members during the war period, few suggestions or requests were advanced. We consider that ex-servicemen have displayed the utmost stability, loyalty and conservatism—I hope you do not misunderstand the word there—throughout the whole of the disturbed war and post-war periods. It has been our privilege in years past to offer and to give much for our country. Only necessity and deep rooted conviction have brought us to this point of urging improvements in existing provisions.

This council made representations to the Special Committee on Veterans Affairs in 1945. A substantial number of those recommendations were eventually implemented. During the summer and autumn of 1947 every veteran's organization of consequence in Canada has made representations and requests for necessary adjustments to the Department of Veterans Affairs and to the government of this country with ever-increasing concern. Early in December 1947, this council submitted in brief form its recommendations to the Deputy Minister of Veterans Affairs for consideration by the government's sub-committee on policy affecting provisions for veterans. In mid-January 1948, this council presented its recommendations with amplified comment to the then recently appointed Minister of Veterans Affairs, with copies to all other directly concerned. Our submission today will reiterate the recommendations already known to you and supplement comment offered.

(1) *Recommendation*.—That the term "War Disability Compensation" be substituted for the word pension, wherever the latter appears in the present Canadian Pension Act which provides compensation for the war disabled of Canada.

Comment.—Public confusion concerning the application of the term pension has been increasingly apparent since the late twenties, and especially during the depression period. With the First Great War compensation bill now substantially augmented by provision for the disabled of the Second Great War, and with inflation requiring an overall increase in rates, it is obvious that if the war disabled are to be treated equitably, every precaution must be taken to ensure against confused thinking and ill-conceived economizing policies that may unduly restrict or deny equitable provisions for the war disabled and their dependents.

(2) *Recommendation*.—That the basic compensation rate for the 100 per cent disability be increased to a minimum of \$100 per month.

Now, I should like to ask the Legion representative, if I may, whether he will agree to that. If he will, will he say so now?

The CHAIRMAN: You just make your submission.

Colonel LAMBERT: I was just going to pin them down on it. Let us ask them about it. If we could have their support on that, we may get more.

Mr. LENNARD: Go ahead and ask them. I think they should be asked.

Colonel LAMBERT: I will go ahead with the brief and I can ask them later. The chairman is ticking me off.

Mr. LENNARD: You may not be here later.

Colonel LAMBERT: We may be here. We have been coming here and paying our own way, too.

No. 2 recommendation, I will read that again. "That the basic compensation rate for the 100 per cent disability be increased to a minimum of \$100 per month."

Comment. No question was raised by the war disabled of Canada during the period of the Second Great War despite the steady increase of general wage and cost of living levels. Since the cessation of hostilities and the removal of price controls, the cost of living and wage levels have been following a rapid upward spiral. The veterans of this country have been among the last to ask for an adjustment. Along with the rapid rise in salaries and wages throughout the country, there has been a proportionate increase in the rates of compensation for injuries in private industry. It may be argued that the present basic rate of war disability compensation was fixed in the early twenties when the cost of living was high. On this point it should be remembered that it was not high compared to the general level of wages at that time. There has been also a substantial general

improvement in the standard of living since 1920. The relationship between the requested \$100 per month for 100 per cent disability and the present wage levels is less favourable than the relationship between \$75 per month and the wage levels of twenty-eight years ago. How far would Canadian employers get in offering labour a 16 per cent or even a 33½ per cent increase on wages of twenty-eight years ago.

Further, the young men who served in the Second Great War and were disabled, remember the purchasing value of the Canadian dollar in 1939-40, and find it difficult to understand how anyone could claim that a compensation rate fair for 1939 could be fair today when the purchasing power of that same Canadian dollar is little more than one-half.

The tentative proposal for a \$12 increase per month has been duly noted. This would constitute an average of 40 cents per day or 5 cents per hour for an eight hour day, to say nothing of the discomfort and inhibitions of the seriously disabled. It has been suggested that we should not seek a compensation rate so high as to rob the disabled of the initiative and ambition to work. No one appreciates the desirability of occupation more than the disabled. In fact the chief concern of the great majority has been their disability-bar to the occupation of their choice. How can it be logically argued that the 10 per cent of seriously disabled men who are unable to undertake regular or remunerative work should permanently suffer from inadequate compensation in order that the necessary stimulus for all the rest to work should be ensured? It has been suggested and publicized that the Canadian pension is the most generous in the world. We believe that we should draw specifically to the attention of this committee the facts. In the case of war wounds affecting the spine and causing paralysis, a Canadian soldier, including the rank of lieutenant, has been drawing \$75 per month plus a possible \$62.50 per month helplessness allowance, making a grand total of \$137.50. The rate for his counterpart in the United States, any rank, is \$360 per month for life. We are naturally told that American compensation does not include allowances for wife and children. Under the existing rate in Canada, the war paralyzed individual, in order to command a monthly compensation income equal to that of his American cousin would require his pension, plus helplessness allowance, plus allowances for one wife and seventeen children plus. The fact that he would have to keep this family under present day conditions should not be overlooked. Under the new rate proposed, he would require a wife and fourteen children plus, only. Multiple amputations, war blinded and other major disabilities enjoy similar substantial war disability compensation provisions under the United States veteran's compensation rates.

We should at this time draw your attention specifically to the fact that while there are twenty pension classifications to cover the range between zero and 100 per cent disability, there is no adequate existing provision to cover the range between 100 per cent and a disability total of 270 per cent or more in some cases. It is in this super-disability group that the most serious employment discouragements and limitations are experienced. We are most anxious to discuss the serious problems of the super-disability group with this committee, or any other body that may be interested in seeking a solution.

(3) *Recommendation*.—That the wife's allowance be increased to \$35 per month.

Comment.—It is considered that the wife's allowance is no more adequate proportionately than the basic rate, hence the recommendation for increase.

(3A) *Recommendation*.—That the rates for children of war disabled be increased proportionately, i.e., from \$15 to \$20 per month for the first child, and similar increases affecting others.

(4) *Recommendation*.—That the April 1, 1944, deadlines affecting widows, wives and children of First Great War disabled, should be removed.

Comment.—Since these deadlines apply to the dependents of those who served in the First Great War and were disabled, and since the numbers affected have substantially dwindled, it is suggested that this economy restriction be now cleared.

(5) *Recommendation*.—That widow's pension be increased to \$80 per month.

Comment.—Pension for a widow is understood to be a measure of compensation for the loss of a husband whose death was due to his war-time service to the State. The widow who suffered an irreparable loss is suffering further in company with the war disabled because of the inadequacy of the present widow's pension to meet present and prospective living costs. We see no good purpose to be served by a further prolongation of these hardships.

(6) *Recommendation*.—That the allowance to children being supported by a widow be increased to orphan's rates.

Comment.—Where children under age are totally dependent on a widowed mother for care the present widows' and children's allowances are inadequate. It is somewhat of a paradox to expect a soldier's widow to provide adequate food, shelter, clothing and education for young children at one-half the rate allowed to an orphan's home, children's shelter or foster home.

(7) *Recommendation*.—That the helplessness allowance provision be increased to a minimum of \$1,200 per annum.

Comment.—It should not be necessary to comment on this item since it must be obvious to all that the very seriously disabled cannot possibly pay for necessary assistance on an allowance of \$750 per annum.

Housemaids demand \$720 to \$900 plus board per annum. Domestic cooks insist on \$600 to \$1,200 plus board per annum. Orderlies are almost unobtainable even at \$1,200 to \$1,800 per annum for an eight hour day. We consider that \$1,200 per annum is a minimum requirement for minimum essential assistance.

(8) *Recommendation*.—That Subsection (2) of Section (26) of the Pension Act, which applies a means test discrimination against invalid totally disabled officers above the rank of lieutenant, should be eliminated as previously recommended.

Comment.—The public mind still harbours an age old impression that the more senior the rank the farther from the front and the safer is the high ranking officer. The Canadian Pension Act contains an unique provision in Subsection (2) of Section (26) when it actually imposes a penalty on officers of the rank of captain or above, who in the performance of duty in a combat area ventured into danger and were wounded so seriously as to become semi- or complete invalids for life. If the thought of this section was to hit at the higher rates of pension for high ranking officers, then why was the attack not made from the front? The present provision actually approaches it from the rear and hits only those who are on their backs or most seriously disabled. Less than fifty officers of the rank of captain or above, for both the First and Second Great Wars, are affected by this provision, but their needs plus their sense of injustice warrants earliest consideration by those who have the opportunity and the privilege of rectification. These representations will continue with all the force at our command until this ill-conceived and unfortunate provision has been rectified.

(9) *Recommendation*:—That the Canadian Legion presentations requesting

—you see, we are backing you up. Just listen to me, and if you are not willing to back us up, then we withdraw this remark—

modification of treatment regulation Five A by eliminating the words "chronic disease", and treatment of veterans in departmental hospitals for non-entitlement conditions on a repayment basis, be supported.

Comment:—Since we agree that as Department of Veterans Affairs hospital accommodation warrants, the veteran with the chronic condition should continue to receive medical and nursing care as necessary; and that the veteran suffering from a non-service connected ailment should be permitted to choose hospital accommodation in association with his fellow ex-servicemen even on a repayment basis. In this connection we are somewhat surprised to learn that the hospital rates for D.V.A. ward accommodation have been increased from the original \$3 per day to December, 1944 to \$4 per day, then to \$6.50 per day last year, and finally from January 1, 1948, to \$9 per day.

That is one of our best arguments for an increase in pensions. If they need it to support these people in hospital, then surely we need it too.

Pardon me, I should not get away from the brief. However, it is hard when you are a minister to do these things without a bit of passion.

This increase is accepted as one more proof supporting the general conviction that the cost of living has doubled.

(10) *Recommendation*:—That the adoption of the National Council recommendation to the parliamentary committee of November 5, 1945, with reference to concentration of all medical records on each case in one medical docket, be strongly urged.

Comment:—We have heard no particular argument denying the merit of this recommendation. We have been advised that there would be considerable work in consolidating these medical records. May we point out that the consolidation could be carried out by clerical help with sufficient instruction to recognize medical documents, and that the time and expense involved for the government by having this done once and for all would be far less than the time required for a highly skilled member of the medical profession on the staff, or outside specialist, to repeatedly look through a mass of extraneous material to make certain that no important item in the medical record was overlooked. Another factor is the value of a complete medical record easily referred to in the event of a case coming for emergency treatment.

(11) *Recommendation*:—That the war veterans allowance rate to eligible ex-service married or single men or women should be increased to \$50 per month.

Comment:—We have made this recommendation with a view to relieving hardship in cases of both single and married men. We believe the amount we have recommended is definitely warranted under present conditions.

(12) *Recommendation*:—That the income provision under war veterans allowance be amended to completely exempt war disability compensation and to eliminate specific restrictions in respect to the amount of income from any other source within the permissible income limits of the Act.

Comment:—Ex-servicemen in low war disability categories with limited compensation and with very limited casual earning capacity have been eligible for war veterans allowance subject to a compensation exemption of \$125 per annum for the single man and \$250 per annum for the married man. We have viewed with misgiving the plight of the war disability who,

having been substantially disabled in the service of the country, has at some time since return to civil life become for all practical purposes, unemployable. Such a man has on the average suffered physical impairment similar to that experienced by the average non-pensioned war veterans allowance recipient, and in addition must carry his war disability of whatever degree. We feel very strongly and urge that war disability compensation should be exempted in the event of such war casualty becoming for all practical purposes, unemployable, and an applicant for war veterans allowance, provided that the sum total of all war disability compensation and war veterans allowance income shall not exceed in the case of the single man \$100 per month, and in the case of the married man \$135 per month.

(13) *Recommendation*:—That the rates for widows not eligible for pension in respect to the death of a husband who was compensated at 45 per cent or less, and widows of non-pensioners, should be increased to \$50 per month.

Comment:—The same comment applies in this case as in respect to war veterans allowance (comment 11).

(14) *Recommendation*:—That rental controls on housing be not lifted until a more adequate supply of housing is available; and that every effort should be made to encourage and expedite adequate housing for rental or purchase.

Comment:—Much has been written and said about housing. Some housing projects and provisions have been most helpful. Unfortunately others have quite apparently generated more headaches for the government and those who attempted to utilize them than would have seemed possible in this country under modern conditions. If our complicated war munitions production had taken as long to organize to the point of adequacy as the housing program has required, the history of the war might have been much different. Steel, concrete, lumber and even plumbing, electrical and other items in scarce supply have been used substantially in the building of theatres and other structures which seemed less essential. In the meantime unless rental controls are retained as necessary, hardships will develop for many who are not yet sufficiently re-established to absorb the shocks. We note with satisfaction recent adjustments in dominion housing policies. We are earnestly hoping that the new provisions will afford substantial relief.

We, the members of the National Council of Veteran Associations in Canada have a broad realization of the problems confronting ex-servicemen of this country, and especially the disabled. We too, have a keen appreciation of the efforts and provisions made to meet the needs and relieve hardships of those who served and their dependents. We wish to assure you of our earnest desire to co-operate with the Senate, the House of Commons and the Government of Canada in relieving conditions which have arisen largely as a result of the post-war adjustment processes and economic disturbances.

It is now generally admitted that upward adjustments of compensation rates to the war disabled and their dependents is overdue. Reason and fairness alike dictate that adjusted levels should take into account not only the increased cost of living but also the improvement in standards of living since 1918.

The considerable adjustments in salary and wage levels throughout the nation have to a great extent been made in recognition of the last-named factor. To adjust the compensation of the war disabled, and of the widows and children of men who died in the service of the State, on any basis but that of a full

consideration of every factor involved is deliberately to restrict them to sub-normal conditions of living. We can never believe that this is the desire of the people of Canada.

Respectfully submitted,

National Council of Veteran
Associations in Canada,
E. A. BAKER, *Chairman*.
J. P. NEVINS, *Secretary*.

March 1948.

Now, there is the smartest brief you have ever seen. In the presence of the chairman of this committee and my friend Eddie Baker, speaking to our departmental officials as the padre of Sunnybrook, Christie Street, the Red Chevron and Lynhurst Lodge, I wish to say these chaps are looking to you distinguished ex-servicemen to do something to make conditions in Canada a little brighter for them.

I am glad you have been appointed chairman again, Mr. Tucker, because we remember your kindness the last time we met.

I submit to you gentlemen, on behalf of those gentlemen lying in hospital somewhere pending a pension—some of them will never come out because some of the boys are still there from the battle of St. Julian—we have to do everything possible to make it easier for them to live. Then perhaps I, with the help of my friends the padres, can make it easier for them to die.

In addition to those who have suffered handicaps in the service of their country, adequate provision should be made for the widows and children. If there is anything in this world I love, it is the widow,—and so do a lot of you, I hear.

A man's wife called me on Saturday night and she said, "Mr. Lambert, I see you are going to Ottawa. Will you please tell the committee from me—her husband is sitting in a wheel chair with both legs off and he has never been able to go down the street unless somebody pushes him down the street; he has rheumatoid arthritis. That man is a wonderful soldier. He has a low number and he served with a wonderful regiment, I believe the Winnipeg Grenadiers. If we make it easier for him to live, then we will have introduced something into Canada which will take issue with those other forces that are working against us. If we can inculcate some of the spirit which won the war—after all, that is what we are and, Mr. Tucker, you are one of them—into the men, women and children, many of them unborn, then we will have served our purpose. First of all, we must take care of the widows and children and then inculcate a spirit of unity and loyalty in those people throughout this country.

If we fail them, these men are going to continue to suffer without adequate compensation and we will then create in Canada the very thing we do not want to create.

Thank you, gentlemen. As the little girl said to me, you say to the committee, "God bless you all and thank you very much."

Colonel BAKER: With the kind permission of the chairman, I am going to ask Captain Earl Hand to say a few words to us in support of the brief.

Captain HAND: The Canadian Corps is a veterans' organization. We have, in our membership, members of all different types, so we are not making any special plea. I only say to this committee, and largely in support of what Padre Lambert has said, we are 100 per cent behind this brief. We feel we have knowledge of the needs of the men, widows and children. I can only leave it with the committee and hope that, later on, those who have the responsibility

of finally deciding this question as to the treatment of those who suffered these disabilities, will be guided by what seems to be the crystal clear fairness of the requests contained in this brief. I thank you.

Colonel BAKER: Colonel Young, of the Army, Navy and Air Forces Veterans, have you a word to say?

Colonel YOUNG: My dominion president is unavoidably detained in the west and he has asked me to extend his apologies. He is putting through a bill in the province of Alberta. I cannot add much to what the padre has already put forward. I think this brief is one of the best we have ever put before this committee. I leave it to you, gentlemen.

Colonel BAKER: Mr. Chairman, I will ask Captain John Counsell, president of the Canadian Paraplegic Association of Canada to come forward. He has a supplementary statement to put in.

Captain COUNSELL: Mr. Chairman, I shall not take long. I should like to read this short statement to clarify the picture regarding paraplegics.

Mr. Chairman and gentlemen: The paralyzed war casualties, represented by the Canadian Paraplegic Association, are in complete accord with the recommendations submitted by the National Council of Veteran Associations. Of these recommendations, the request for an increase in the helplessness allowance is of first importance to the most seriously disabled of the war casualties.

The casualty in a wheelchair must constantly depend on the assistance of others whether it be an orderly or housekeeper or some member of his family. His housing accommodation is limited to bungalows, homes or ground floor apartments that are accessible to a wheelchair. To climb a single curb high step with a wheelchair requires the assistance of one person, a flight of two or three steps requires the assistance of two persons.

His transportation is restricted to taxis unless he operates a car of his own. The economies of walking short distances or taking the bus or streetcar are not for him.

Unlike victims of poliomyelitis, the paraplegic with a shattered spinal cord is without normal bowel or bladder control and without sexual function. To reduce genito-urinary infection he must drink three or four quarts of water daily. His activities are restricted to two or three hours away from some bathroom that is accessible to the wheelchair and, using the utmost care, he is still plagued by bowel or bladder "accidents" without warning.

His limited mobility in itself causes a substantial increase in living costs if he is not to be confined to the life of a recluse.

The request for an annual helplessness allowance of \$1200 represents a minimum figure to provide a paraplegic with the necessary services which allow him to live outside of a hospital. An adequate pension and helplessness allowance to enable the paraplegic to live out of hospital and to re-establish himself as a useful member of society represents a direct saving over the cost of maintaining the same man in hospital as an incurable paralytic.

We would like to bring to the attention of this committee the case of the single man who has to establish his own home outside of the hospital. The present helplessness allowance of \$750 a year is completely inadequate to provide any kind of an attendant or housekeeper at today's wage rates, to say nothing of the additional transportation costs, etc. A helplessness allowance of \$1200 a year would help towards allowing this man to re-establish himself outside of hospital.

The paralyzed veterans in U.S.A. receive a pension of \$360 a month, plus free motor cars. The paralyzed veterans in Canada are not asking for \$360 a month, but for an increase of \$450 more in the helplessness allowance in order that they may be allowed to establish a home like other Canadians.

Colonel BAKER: Mr. Chairman, I understand that Colonel Lambert or one of his delegation has a short statement to make on behalf of the War Amputations of Canada.

Colonel LAMBERT: Mr. Ross le Mesurier will read the brief.

Mr. ROSS LE MESURIER:

Mr. Chairman and Gentlemen: on behalf of the War Amputations of Canada, we desire to emphasize the recommendations presented in the National Council of Veteran Associations' Brief. All of the subjects dealt with by these recommendations have been discussed and approved by past conventions of our association, especially that of September 1947.

Our membership, comprising as it does with but few exceptions, front line battle casualties, is very directly and particularly affected. Most of our members are pensioned in the category of 40%—80%. We feel very strongly about the inadequacy of the pension rate under present and prospective conditions, especially when the rate of pension is in the 50%—70% class, as are most of ours. It is in this range that heart, lung and other conditions, for which there is no entitlement, render a man incapable of regular or profitable employment.

For such men the pension rate precludes any assistance from war veterans allowance or from any other source of relief, but it is still on the bare relief level. For these men the recently proposed increase would mean only \$6 to \$8 per month... it would be of little help in solving their problems.

We have noted with interest recent increases approved or recommended for senior dominion government officials. In many instances these increases far exceed the whole 100% compensation received by some of our excessively disabled war amputation cases.

We have been repeatedly assured that the Canadian rate of War Disability Compensation is the most generous in the world. We have also heard that the Government cannot afford more than has been offered. Our National Council Brief has dealt with the generosity claim. We have our own ideas about the ability of Canada to meet the reasonable requirements of those who have unselfishly given so much without counting the cost.

Wages, Workmen's Compensation and all other levels have risen substantially. We think the war disabled have been most patient and enduring in waiting for what we feel to be a long overdue adjustment.

We are particularly interested in those of our membership who are excessively disabled. Several of our representatives present here today have disabilities totalling around 200%.

The following cases are quoted to show the difficulties being experienced by our members:

†193365—Raper, C. E., Meaford, Ontario, is a 53-year old veteran who lost a leg at the knee and had his other calf badly wounded while serving with the 42nd Battalion in World War I. The disabilities are assessed at 65%. He married after the time limit for dependents of Great War veterans and did not receive any allowance for his wife until the limit was put back to April, 1944. He has a small son, aged 1 year, but he receives no pension allowance for him. Although he has had a job for the last few months, he has never been able to maintain permanent employment through the last 20 years and at best has only had casual earnings from the produce from a small garden. This case would be aided by National Council Recommendations (2), (4) and (12).

†51065—Brant, Herbert C., 933 Bay Street, Toronto, Ontario, was wounded in May, 1915, while serving with the P.P.C.L.I. His disabilities are as follows: right leg amputated above the knee, left leg fused at the ankle, knee and hip, one eye out, one arm crippled and shortened, only

partial movement of the shoulders and large painful back wounds. He has made repeated trips back to hospital for further treatment for his old wounds, and just this week has been discharged from hospital after taking treatment for the discharging wounds in his back. It can be appreciated that this man is only capable of part-time employment. Although his wounds amount to a net total of 270% he receives no Helplessness allowance and, being a widower, is therefore forced to get by on his \$75 a month pension. This man has received no consideration through the years for his disabilities in excess of 100%.

Date:

Name: A. Hebert. Age: 29.

Unit: Royal 22nd. Reg. No. E-5629.

Place Wounded: Italy. Date: 19th February, 1944.

Marital Status: Married.

Employment Prior to Enlistment: Electrician.

Wages: \$25 per week.

Present Employment: Still in hospital.

Wages: Pension Rate %: 100%.

Remarks:—Owing to my injuries (Triple Amputation) (plus fused right arm) I shall be unable to resume my former occupation, which now pays \$55 per week. My present pension and allowances of \$162.58 per month is entirely inadequate and I feel that our demand of 33½% increase in basis pension is just and reasonable.

A. HEBERT,

Date: 13 March, 48.

Name: J. P. Rochon. Age: 24.

Unit: C.I.C. Reg. No. D-137657.

Place Wounded: Italy. Date: 26 Jan., 44.

Marital Status: Single.

Employment Prior to Enlistment: Electric motor winder.

Wages: \$55 per week.

Present Employment: Still in hospital.

Pension Rate: 100%.

Remarks:—Unable to continue former occupation because of war injuries (Paraplegic and amputation of left leg at thigh) when discharged from hospital I have no assurance of employment by former employer.

(Sgd.) JEAN PAUL ROCHON.

Canada expects her elected representatives in parliament to pay the debts of Canada. This is the greatest. For the honour of Canada—pay it.

Colonel BAKER: Judge McDonagh, you have a statement on behalf of the Canadian Pensioners Association, I believe.

Judge McDONAGH: Mr. Chairman, Mr. Minister and gentlemen, our association represents those who have not an obvious disability. Our membership may have wounds that are clothed by their clothes or they may have other disabilities. Their disabilities are twenty-four hours of every day in every year. According to the scheme of the Pension Act a pension is based on the payment in the labour market—the payment in the labour market since 1939, in accordance with figures which I received, has gone up over 160 per cent. We feel that those who suffer a disability twenty-four hours a day as a result of service to Canada are entitled to more than the proposed increase which represents for a twenty-four hour day 1½ cents an hour.

Colonel BAKER: Mr. Chairman, Mr. Dies has a statement to make on behalf of the Sir Arthur Pearson Association of War Blinded. Has Judge McDonagh got that statement?

Mr. W. C. DIES (President): Mr. Chairman, I have a short statement of special cases which we wish to present to the committee. We do this because we find that for the most part these lads in the last campaign are all disability cases, and we are a little concerned because before we left Toronto there was quite a bit of talking. We are concerned about the future of this country and we do not think it is well that a million and a quarter ex-soldiers of this country should be going around the country with a chip on their shoulder. Now, in Toronto the D.V.A. is not now the Department of Veterans Affairs, unfortunately, and it is said that the boys have another slogan: Don't volunteer again.

Now, when we allow our young men to get into that condition because we have not taken care of them I suggest we do something about it. However, I shall ask Judge McDonagh to read our brief.

JUDGE McDONAGH: (Reads brief of The Sir Arthur Pearson Association of War Blinded).

Mr. Chairman and gentlemen: Our association represents the blind of two great wars. While more were blinded in the first great war their numbers have been reduced by death until the representation, especially resident in Canada, is about equal.

As an association we have kept actively in touch with our members who are scattered throughout the whole of Canada in urban and rural districts, and with thirty of the first great war resident in England, one in Belgium, and four in the United States. Only two of the second great war are outside Canada and resident in England.

Our membership is grateful to the Department of Veterans Affairs for aftercare service provisions which have been steadily maintained. We also acknowledge the services of The Canadian National Institute for the Blind in co-operation with the Department of Veterans Affairs. The many branches of the institute have done much to promote and maintain helpful employment and aftercare services for all possible. Finally, we greatly appreciate the privilege of associating with other veteran organizations in Canada, especially those serving the war disabled with whom we have so much in common.

All our members, but especially those of the second great war, are keenly interested in the recommendations contained in the brief just presented to this special committee on behalf of the National Council of Veteran Associations in Canada in which our association enjoys membership.

During the past three years our members have become increasingly disturbed by the realization that war disability compensation rates have been frozen for over a quarter of a century, while during the past nine years inflation has been exacting an ever-increasing toll from the purchasing power of the compensation dollar. In our resolution of June 1947 we drew attention to the following facts:

- (1) That the standards of living had substantially improved since 1918.
- (2) That salary and wage levels had risen from 50 to 200 per cent during the past twenty-eight years.
- (3) That workmen's compensation rates have kept pace with salary and wage increases.
- (4) That inadequacy of compensation is a generally unnecessary and much over-rated spur to remunerative employment for most of the war disabled, and in fact constitutes an unalleviated scourge to the seriously and especially the excessively war disabled man who is unable to help himself, and to his dependents.

141844 Austin, Whaley: C.E.F. 2nd Battalion. Wounded by shell explosion in France 1918. Disabilities: loss of sight, wearing artificial eye in right eye, and perception of light only in left eye; left arm amputated above elbow; jaw fractured; face disfigured. Married May 5, 1922; wife deceased November 21, 1946. A straight addition of this man's multiple disabilities would total in excess of 200 per cent. War disability compensation present award is \$75 per month plus a portion of helplessness allowance. Despite re-establishment efforts no remunerative employment has been possible for this man since his return to his home district in 1922 because of his multiple disabilities and the fact that an artificial arm appliance for a blind person, since there is lack of sense of touch and sight to direct its use, is impractical except for appearances.

D57593 LaPlaine, Albert: C.A.S.F., Le Regiment de Maisonneuve. Wounded by high explosive mine explosion in Holland, February 1945. Disabilities: loss of sight, wearing artificial eye in left eye, perception of objects only in right eye; mutilated left ear; left half of face badly powder burned and marked; left arm amputated above elbow; left leg amputated below knee. Unmarried. A straight addition of this man's disabilities would total in excess of 225 per cent. War disability compensation present award is \$75 per month plus a portion of helplessness allowance. No remunerative employment has been possible or is in prospect as yet.

These cases serve to illustrate the inadequacy of compensation at present or prospective rates to ever actually compensate the young man of thirty years ago or the young man of today for the almost complete blasting of all his normal hopes and prospects. Both of these men demonstrate the need of some more adequate compensation provision for the relatively small, but excessively war disabled group in which we include all types of high disability ratings.

It is an honour and a pleasure to be able to read this presentation to you, gentlemen, and it is with great regret, as a Canadian, that I have had to read it.

Mr. DIES: Could we have a word from Captain Woodcock of this organization?

Colonel BAKER: Mr. Chairman, the time has now arrived for us to close this morning's sitting and I am glad that the chairman has indicated the possibility and the desire for discussion later in the day. I think it might be better then, Mr. Dies, to hear from Captain Woodcock.

May I say, Mr. Chairman and gentlemen, that we appreciate very much the opportunity of being with you this morning. I admit that we have come on short notice. Mr. Burgess communicated with us and we found great difficulty in getting suitable railway accommodation at the very last moment and then it was not ideal. Still, we are here. We appreciate the opportunity of being present with our sister organization, the Canadian Legion. We found their presentation interesting. I hope you have found our presentation interesting also. I trust that we will have an opportunity to discuss our presentation and the points arising out of it at greater length some time during the day, because we must leave Ottawa this evening. Thank you very much.

The CHAIRMAN: Gentlemen, I am sure you want me to express on your behalf to Colonel Baker and to Padre Lambert and those associated with him our appreciation of the eloquent manner in which they have presented their case for those they represent; of the manner in which they have so courageously met the difficulties which they are now experiencing as a result of the service to their country; and the high courage which they have shown and demonstrated today in coming before us speaks even more eloquently on their behalf. I should like to thank them one and all for appearing before this committee.

Before I call on the minister for a word or so, General Price said he would like to say something before we adjourn.

General PRICE: Mr. Chairman, I shall not take more than a moment. I want to congratulate our sister organizations through Colonel Baker and the Reverend Mr. Lambert on their magnificent presentations. I should like to answer the padre's challenge and tell him that our presentation and proposals are just an absolute minimum and not the ideal; and we shall be more than delighted if he is successful in getting his \$100 a month. Perhaps it might be some comfort to the committee to realize that there has been no ganging-up by the various organizations. Even though very similar proposals have been reached they have been reached completely independently. Perhaps it is evidence that we are thinking specially of those for whom you so eloquently pleaded in that our proposal for helplessness allowance is \$1,400 against your \$1,200.

The CHAIRMAN: Thank you, General Price. I assure everybody that bringing these two organizations together was due to a serious shortage of time, but I think it has been a fine thing to bring them together today as it has worked out. I think everybody would want to have a word from our new minister, Brigadier Gregg, V.C.

Hon. Mr. GREGG: Mr. Chairman and gentlemen: All I want to say is to express to Basil Price and Eddie Baker and their associates here this morning appreciation for coming on the one hand, and for presenting the careful, thoughtful and patient briefs that they have given to us. I say that as a private member of your committee as well as the Minister of Veterans Affairs.

The CHAIRMAN: You cannot be a private in this army.

Hon. Mr. GREGG: Side by side with that I should like to state, relating to questions that were asked earlier in the morning, that I can tell you gentlemen assembled here that there is no item on the agenda of the government that has received as much attention as the matters that have been discussed here this morning. I was impressed by a few words in the last brief, that of the Canadian Pensioners Association, read by Judge McDonagh, "a quarter century freeze-up." It has been so. There has been a lot of heat applied during that quarter of a century, too, but it has stayed frozen. At least an attempt has been made to break a crack in the ice, and as you go on from here with this committee I can assure you your minister and the government will give the very best thought to the deliberations and discussions here. The briefs that you have prepared and submitted this morning form an excellent background. I can say to both groups of delegations quite surely that I know this parliamentary committee is approaching its task in the spirit that you would like to have it approached. I am going to ask the members of the two delegations the steering committee—I would like to have the whole parliamentary committee, but room was not available—and all those members of the Cabinet who are ex-servicemen and who are in town—there will only be two—to join together for an iron ration lunch in room 497 as soon as we break off here.

The CHAIRMAN: Gentlemen, it is the thought of the committee that we would sit so that the delegation of the Canadian Council of Veteran Associations would be able to get home to Toronto or Montreal tonight. Therefore with your permission we will meet again at 4 o'clock here in this room. There is another item on the program. It was thought that we might have a picture taken in front of the peace tower but I understand it has started to rain. Therefore the picture will be taken in this room right away. I hope that everybody will remain so that it may be taken. Subject to that, the meeting is adjourned until 4 o'clock this afternoon.

The meeting adjourned to resume at 4 o'clock p.m.

AFTERNOON SESSION

—The committee resumed at 4 p.m.

The CHAIRMAN: Gentlemen, let us proceed. I believe, Mr. Dies, there was somebody wished to make a statement. I think we will hear him now.

Mr. DIES: I was referring to Captain Woodcock.

The CHAIRMAN: Captain Woodcock, would you please come forward?

Captain Fred Woodcock: Mr. Chairman and gentlemen, before lunch there was quite a bit said, and I can only add a little bit to that. We are here as delegates to try to convey a picture to you. I think possibly when I say this I am only voicing, perhaps, what the committee already know, that no one can understand the problems or the solution of the blind problems other than the blind themselves. That is quite true of our paraplegics and of our amps and of our pensioners' associations. I will say truthfully that our members have been howling at our heels—and by "our" I mean the executive of our groups. The amps group have for quite some time—particularly the young vets who cannot understand why we do not put up a bigger fight for what they consider to be their just rights. That, gentlemen, is one of the reasons why today we have brought down such a large delegation made up largely of young veterans; because they are the young veterans in the same age groups as the chaps who are unable to be here today for reasons I do not need to enumerate. These are the young lads who are going to carry the story back and to say, "We have done all we can. We have now left the matter with an understanding committee down here"; and I sincerely hope, gentlemen, that is the story we are going to be able to tell.

The major question these young lads ask us is purely from a compensation basis. There is no doubt about their loyalty or their patriotism; I think they would go out tomorrow and shed their blood again if they were asked to. It is a straight case of compensation basis on the standard of life that we as Canadians need today.

There was a question asked here this morning: could we quote figures as to what sort of progress Canada has made in the last twenty-seven years? There is no need for that, gentlemen; all you have to do is to go back a little and a little further still to where we were making soap ourselves in the bush. Certainly we are progressing and we hope to progress from now on. I only hope that if—and God forbid that there should be another war—that if we can look back at the end of that one and see Canada has progressed in this past period since World War II—we certainly have progressed. But the unfortunate part of it is our basic rate of pension has not progressed with it. There are a number of luxuries of twenty-seven years ago that are absolute essentials to us today. One of our blind vets spent four dollars and some odd cents to go down to the train by taxi. Why? Because he wanted to be independent. Possibly his wife could have gone out and got him to the interurban and taken him to the station and transferred him into the hands of a redcap and sent him down to Ottawa; but no, he wanted to be independent enough not to be a burden on the country or his family. He wanted to be independent, so he took a taxi.

There is another reaction I would like to bring to you from these young members. It was a while ago we told them that the country budget was burdened enough, and I got the reaction from one of these lads: would they consider us a burden, Captain Woodcock? If so, should we have stayed over there and been a lesser burden to the country? These kids feel it deeply inside. That is all I have to say, Mr. Chairman.

The CHAIRMAN: We thank you very much, Captain Woodcock. Now, Colonel Baker wishes to make a further statement.

Colonel BAKER: Mr. Chairman and gentlemen, the group who have come down on this deputation have done so at some inconvenience to themselves. They have a sense of responsibility to all whom they, each in their disability categories, represent; and in the case of the army, navy and air force and the Canadian corps, there is a fellow feeling on the part of the general membership for those who have been disabled in the service of the country.

Now, I appreciate that in speaking to you gentlemen representing the House of Commons in Canada and back of you the people of Canada that you too have had service in common with us. I once suggested to a former parliamentary committee that I had always wondered about those of us who got disabled. Actually, I think we never considered that a disability was a merit in itself; it was just one of those unfortunate things that happened to so many of us, either because we were not good enough dodgers or for any one of a variety of reasons. Now, we have to live with these disabilities, and we are concerned. My mind goes back to the days before the first great war when as we joined up eventually we, as you, probably felt the same way: we did not know anything about pensions.

Do you know where I first heard about pensions? I heard about them from an Imperial nurse in a hospital in London. Up to that time I had not even any idea. Nor had I calculated this country was ever going to pay my pension. I appreciate the fact that the country did undertake to pay my pension. As a matter of fact, when I hear these fellows talking about pensions being frozen for the last twenty-five years—gentlemen, my pension has been—so-called pension of war disability assessment—has been frozen for thirty-two and a half years. In other words, I was pensioned as a lieutenant away back in September, 1916, when the first Pension Act came in; and I recall at that time that a good friend of mine, A. G. Veits—the first Canadian blinded soldier in the first great war, who lost his sight in May, 1915—when he got back to Canada in the spring of 1916 was pensioned at \$22 a month for total blindness. That was all the provision there was at that time; and in the fall of that year he got \$50 a month for total blindness—something which came up by the cost-of-living bonus route—and eventually in 1925 it was consolidated.

Now, I have a certain amount of time to think of these matters, as I know you do, and I just began to realize the other day several matters, that to me seem vital and fundamental. First of all, the men who served during the first and second great wars went because of a definite interest in the country. There were a few, I grant, that went because it was a big adventure; maybe a few might have been attracted by the pay—I would not know—but they went. They were expected to do in the face of the threat to Canada's existence—they were expected in this country by the people of this country and the government of this country to do a given job; and in the doing of that job they were expected to take chances; and in taking those chances in doing the job as they thought they were expected to do it, 100,000 men did not come back after the two wars.

Now, Captain Woodcock raised the question a moment ago about the disabled and about some question in their minds as to whether their return was unwelcome. We do not want them to think they were unwelcome; we are sure they do not. I am sure most of them do not. But as was pointed out in our brief this morning, in discussing the question of disabilities, there are those disability ratings which range from zero to 100 per cent, and when we reach that point we are not finished, because we have men right in this room today whose disabilities total 150, 200 and 225 or more per cent.

Now, think for a moment what that means. It means that not only do they have to carry the disability that they carry, but in addition one of our delegation wears an artificial limb above the knee.

Now, have you ever stopped to think what that imposes on a veteran when he comes to a curb. He has got to step down with his artificial limb first. When he comes to a curb to step up he has got to step up with his good leg first; and if through an accident he reverses the procedure he is down on his nose. The same thing happens at the top of a flight of stairs. We had one lad who walked off the top of the tube stairs in London during his period at St. Dunstan's; the inexperienced expert with him walked him off without warning and he stepped off, wrong foot first, and since the other leg had an ankylos knee joint he could not bend it and let himself down. He was shot head foremost down sixty concrete steps and nearly died as a result, and nearly lost his other leg. That is the sort of thing these chaps have to think of.

An artificial foot has not yet been made with the sense of touch or knee control.

Then we have Captain Woodcock who has just spoken to you. Captain Woodcock happened to be in a landing barge at Dieppe in command of his platoon and just as that barge touched the shore one field-gun shell landed in it and set off a bangor torpedo, and every man in the craft perished except Captain Woodcock. The craft was sunk, but fortunately it sank in shallow water and Captain Woodcock, wounded, sat there with his chin above the water and somebody from the shore saw what had happened and pulled him through, and then he spent fourteen months in a prison camp. He has a solidly ankylos right shoulder, he is totally deaf in one ear and the other is affected, and he is blind. There is a lot of handicap and it takes a lot of courage to carry on.

There are others who are so handicapped and have additional inhibitions that do not permit them to be occupied, and we are very much concerned about the fact that they have not got enough to get along on comfortably as they are.

We are concerned about them. I heard someone say the other day, "Look, fellows, get your feet on the ground; you cannot expect us to grant you \$100 a month," because I know what the gentleman speaking knew, that people could live more cheaply than that in some parts of the country granted.

How do you expect the boys to live? We can take them out into a country village somewhere. We can say, "Now, look, boys, you cannot work; you cannot supplement your war disability compensation; therefore not having enough to live on in the city you will have to move out to some country district where you can exist. Quite true, your friends are not there; your family surroundings are not there; you are going to vegetate there; but that is where you have to go on what is allowed." Are we asking them to do that?

True, there is a restriction imposed. When this budget was established recently it was based on the basis of the common labour market. Remember, we have lawyers, doctors, engineers, professional men of various kinds and a lot of people are in the trades crafts. Many of their schoolboy friends have been going off steadily down through the years; they used to live as neighbours. Maybe they still meet some of them. The other fellows who are disabled cannot supplement their pension and cannot afford to live in a neighbourhood with some of their familiar friends because the pension has not been going up and they cannot supplement it in a good many instances.

Now, there is your first limitation. If you go along there is another limitation. There are some places in Canada where you can live on your present pension without much increase. All right. That imposes another limitation. Where do you think it is going to end up? It is going to end up in a sense of bitter injustice. That is not the sort of canker we want eating at the heart of the patriotic people of Canada.

Look, gentlemen; you may be confident about the destiny of Canada. I, too, like to feel confident about the destiny of Canada but I do not want to see that destiny interfered with by cankers eating at the heart of things. We cannot afford to have that.

I recall that when the First Great War broke out there was a devil of a lot of money spent in this country on advertising, posters, campaigns, recruiting meetings, and all sorts of things, to try to enthuse the boys to go. Then again during this war a lot of money was spent on public relations. I have argued, gentlemen, for years, that we ought to do our public relations in the ordinary year by year periods, and that one of the biggest ways we could do our public relations in this country is to go out and recognize the graves of the men who served their country faithfully and suffered in consequence, and are buried whether in city cemeteries or out in the quiet little country cemeteries. Let the people of our country districts, every district, know that the man who served his country unselfishly is never forgotten by that country.

Secondly, let the people of this country know, young and old, that the man who is disabled is not left to muddle along with his own problems and worry and fret. In our brief we dealt with the question of the incentive to work. Do not make the pension too big. A group of us only the other day attended a funeral down at Port Hope. What were we there for? To attend that funeral of that particular individual? Why, that was Ralph Hodgson, Ralph Hodgson who is known to many of you and who, for the past ten years, worked his fool head off trying to help amps and other disabled men in this country to find their place in industry and work. He worked himself into the grave. Oh, yes, he was only 49. Yes, a lot of the boys have put an extra strain on to overcome their disabilities and keep working. I am telling you right now, gentlemen, that they are not going to cease to do that. A lot of boys with disabilities, ordinary and extraordinary, are going to keep on making the effort. It is putting an extra strain on them, but they are going to keep doing it because they prefer work to idleness. During the depression period, when some of our fellows were forced out of jobs they actually contemplated suicide, and some of them did, because they felt that merely sitting around drawing a pension was good and sufficient reason to rid the world of themselves. We do not want that to happen, I am sure you do not.

Gentlemen, we have that 10 per cent or so in our seriously war disabled group particularly who are unable to work, unable to supplement, and we have got that group extending right down into the 40, 50 and 60 per centers who have not got enough pension to live on, who are denied assistance from other sources, and so they are stuck on what amounts to relief rates. That is the problem that is confronting us. We have to talk to these men. We have to reason with them. They say, "Why can you not take up our case?" What can we do about it when the law says so and so and we are limited? We cannot go further than that.

Actually 100,000 men are in their graves overseas. There are less than 100,000 seriously war disabled casualties in Canada today. They are the big problem. We are told that the finances of Canada may not be equal to this strain. Gentlemen, I had occasion to speak in Kitchener before this war. We were talking about national defence. I have argued that young men should be trained in this country to meet any emergency that may occur. When I got up there I remember it was at a time when there was some question as to whether money should be spent on social services or on building up and training our defence forces. There was a group of industrialists from all around the Kitchener district there. I said, "Who in this world ought to be most interested in national defence? Why, the people who have the most to lose, not only lives and freedom, but property. Who should be the ones who are most ready and willing to do something about it and support national defence and the training of these troops? Why, the men who have the most to lose."

One week after that meeting a big firm in the Kitchener district called up the O.C. of the local regiment and said, "Colonel, if you will let us have the names of the men working in our plant who belong to your militia unit, and who want to go to camp with you for the summer, and give that list to us, we will advise each one of them that they can go and they will get leave with full pay." What do you think that could do in this country for national defence? What do you think that spells from the standpoint of those who are willing to risk their lives in case of internal trouble or external aggression?

Gentlemen, I tell you this goes far deeper than anybody can visualize. You cannot put this down in dollars and cents. Gentlemen, when you think of this problem, when you present it to the House of Commons, I hope that you will make it quite clear that this is a vital matter. It is not a question of dollars and cents stacked up against human values. You can have all the war equipment you like, the best planes, the best guns, the most ammunition and all the rest of it but it is not going to get us anywhere unless you have got men with courage and the willingness and the determination to use these things. Gentlemen, I am going to leave it with you. Thank you.

The CHAIRMAN: Gentlemen, I presume a division is taking place. We will reassemble immediately after the division.

The meeting adjourned temporarily.

On resuming.

The CHAIRMAN: Gentlemen, when we disbanded in order to attend the division Colonel Baker had just finished speaking to us. I think that I would be expressing your feelings in saying to you, Colonel Baker, that that was one of the most eloquent and moving speeches that we have had the privilege of listening to in this committee. Was there anything further that you wished to add or that anyone else would like to say?

Colonel BAKER: I should like to call on Mr. Desbiens of Montreal. Mr. Desbiens has a serious disability, one leg off above the knee, one below the knee and a partially disabled right hand. He was badly smashed up in France, his skull fractured. I think he would prefer to speak in French. He is more fluent in that language. Would you kindly grant permission?

The CHAIRMAN: We have not a French reporter just now to take your remarks in French. If you will sit down we will hear you as soon as we get somebody. Are there any questions that the committee wish to ask Colonel Baker or any of these gentlemen?

Mr. CRUICKSHANK: I should like to ask you as chairman, not Colonel Baker, if we have the authority in this committee to arrange for the expenses of these delegations who represent all the veterans?

The CHAIRMAN: We have the authority. I have intimated to our clerk that I understand these gentlemen have the feeling they should not take expenses for coming here because they feel in some way it would look as if they were not doing right in taking expenses. I am glad you brought up the question because I am sure it is the wish of all members of the committee that they should accept their expenses.

Mr. BROOKS: It has always been done.

The CHAIRMAN: It has always been done, and they are entitled to it. I am ready to sign the necessary certificate and I hope they do not feel backward about accepting it as I know it will be the wish of the whole committee that they should accept their proper expenses.

Mr. WINTERS: Especially when bread salesmen and everybody else are being paid to come here these days.

The CHAIRMAN: Are there any other questions? It looks as if you made such a complete presentation, Colonel Baker, that there is nothing left to be asked about.

Colonel BAKER: I would hate to think I had in any way undermined all the alibis or arguments.

The CHAIRMAN: If we had a French reporter we could proceed with that.

Mr. BROOKS: Perhaps someone else could go on. Has Colonel Baker anyone else?

Colonel BAKER: We were expecting there would be a lot of questions because we have tried, gentlemen, in our brief to state very specifically what we wanted. We hoped you would understand.

Mr. LENNARD: We apparently did.

Colonel BAKER: We also hoped you would appreciate the logic of our arguments. Actually there is very little between the representations of the Legion and ourselves. We get along very well together. The fact we appear under two names means little. We have so much in common in thought and conviction. The question of whether they ask for a 25 per cent increase or we feel convinced it should be $33\frac{1}{3}$ is not material.

I have suggested on occasion every man in the first and second great wars was average or above average in mental and physical capacity. We know the odd ones got in who were misfits, but the average was high. We were selected men. As such we had normal expectancy in our professions, trades, crafts, and would have returned to them, or would have normally entered them if too young to have entered them before the war, and would have carried on and enjoyed whatever rates of increase there were, increased protection under workmen's compensation, and the standards of living that would have applied right along the line.

Some of our fellows have not been able to go back to the profession or trade of their choice, but in line with their aptitudes they have managed to supplement their pension. They have carried on without a lot of yammering in this country. I think you gentlemen will admit, and you have been around a good deal and you know your public and your constituencies, that on the average the veterans have been the least troublesome group in the community. We have come along through the years, and here we are. At last we come down and we make this appeal to you. We are hoping.

Mr. McKAY: Are there any of the witnesses who can tell us how many blind veteran pensioners there are, how many paraplegies, and how many others who are totally disabled? It may be that no one can answer that at the present time.

Colonel BAKER: I can tell you roughly.

The CHAIRMAN: As a matter of fact, while we are waiting General Melville might have some figures and facts that he could give to us; and we can think about them until tomorrow. Have you anything you wish to present to the committee now, or can you answer the question which was asked?

Mr. MELVILLE: I could not answer Mr. McKay's question right away. I would be very happy indeed to get the information for the committee. Gentlemen, the commission was very anxious to endeavour to obtain and place before you information which would be helpful to you in your deliberations, information with regard to the decisions rendered by the commission, and so on. I have prepared such to be handed over to the secretary for distribution. The first statement shows the liability for World War I and World War II under various headings, and gives details. The second statement is with regard to disability. You will know there are so many disability pensioners, but the commission believed you would be interested in knowing in how many cases additional pension was being paid on behalf of a wife, in how many cases there were children on whose behalf additional pension was being paid, how many fathers,

mothers, parents, how many housekeepers on whose behalf additional pension was being paid under that section of the Act. That information is incorporated on page 2.

On page 3 there is a further statement with regard to dependents of those who died or were killed on service. That again has been broken down under various headings, and also shows you the number of supplementary awards which are in payment.

The fourth statement gives you all decisions rendered by the commission on first hearing, second hearing, on appeals, for those whose service was rendered in a theatre of war, that is, outside of Canada, and for those whose service was rendered in Canada or outside of Canada.

The fifth statement shows all awards in payment under the Civilian War Pension and Allowances Act because those awards are subject to the provisions of the Pension Act in most cases.

The last statement is one which shows the decisions rendered by the commission with regard to World War I and World War II where the pension has been increased or decreased or continued at the same rate. Those figures were asked for this morning. They are all here ready for you.

Then there is a photostat giving particulars with regard to the recommendations or provisions covered in bill 126. It shows in every classification of pension the award of pension in payment today. It shows the award of pension which would be paid under the proposed amendment to the Pension Act, and it shows the amount of pension which will be paid for the period from the 1st of October, 1947, until the 31st of March, 1948. That is for a single man, for a married man, for a man with a wife, and 1, 2, 3, 4, 5 or 6 children. The commission sincerely trusts that this information will be of great value and assistance to the committee, and any other information that we can furnish you we will be glad to endeavor to get it.

The CHAIRMAN: If you distribute them now can you remember who got them and who did not?

Mr. MUTCH: Not unless they sign for them.

The CHAIRMAN: We can put it in the mail boxes. Colonel Baker, can you answer Mr. McKay's question roughly in regard to how many blind pensioners there are, and so on?

Colonel BAKER: I can give you the approximate figure subject to verification or correction by Brigadier Melville, just to give you a general impression if that is sufficient.

Mr. McKAY: That will be fine.

Colonel BAKER: At the end of the first great war, 1919, we had 170 blinded. During the subsequent years up to the beginning of the second great war we added about 70. Those were drawn from the 2,600 who had lost one eye or had suffered more or less damage to both eyes, and had subsequently in the postwar years lost their remaining vision due to those wartime injuries. That would have brought the total up to 240. Then you deduct from that about 50 or 55 who had died in the meantime.

For the second great war we have about 95 from the European and Middle East theatres, and then from the Hong Kong group there are about 40 referred to us for training as war blinded, and accepted by us for that training. I think in the case of the paraplegics you have no actual survivals of the first great war. There are some who developed between the two wars, and then you have 200 from this war. Is that correct?

Captain COUNSELL: That is approximately correct.

Colonel BAKER: In the first war there were 3,800 amputations with hand or foot or more of whom we figure about 2,800 are surviving. Then from this war I believe the figures are around 2,200. We have no definite figures on the war deafened, and I cannot say for the other pensioners.

There is one rather interesting comparison, gentlemen, that we might note, particularly from the standpoint of the provisions of the Pension Act, in the application of compensation and pension. This was in 1933. It will illustrate something that I think will be reasonably apparent to you. It was at the time the late Mr. Roosevelt had come in and was considering the question of what was going to happen to their war pension bill which was pretty heavy. You will recall that the American army with larger numbers was in the first great war for a shorter period of time. Our smaller army was in for a longer period. We had, strange to say, almost exactly the same number of casualties, 216,000. We had almost the same number who were killed or died of wounds during the war period, 60,000 each. Then we come along to 1933. At that time the Canadian pension list showed 77,000 pensioners. The American list showed 276,000. The Canadian list showed 3,900 100 per cent disabilities. The American list showed 30,000. The Canadian list showed 87½ per cent of the pensioners with theatre of war service and the American list showed 65 per cent not outside the United States. I thought you might be interested in those figures.

The CHAIRMAN: Thank you, Colonel Baker. Mr. Desbiens is going to address us in French. He has said to me that as a mark of courtesy to the English-speaking members of the committee he will also say a few words in English. He will speak to us both in English and in French.

Mr. J. G. DESBIENS: Mr. Chairman, and members of the committee, the pension now paid to the veterans, especially the seriously incapacitated veterans, is insufficient to cover the present cost of living. Several of these veterans are unable to work and must provide for the upkeep of their family with the meagre pension now allotted. Even among those who work very few are capable of putting in six days of work a week. This means that their weekly earnings are very low. That is particularly true of the amputation cases, those who have to wear artificial limbs, because the condition of their stumps does not permit them to stand continually on their feet. In the case of a veteran with an amputated leg, or a paraplegic veteran who more often than not works a great distance from his home, transportation costs amount annually to \$800. It is very difficult for a man with two artificial legs to board a street car; I tried it and I was thrown out.

Mr. GAUTHIER (Portneuf): Where did that happen?—A. In Montreal. I was not actually thrown out, but the crowd was so great that I fell from the step and I again injured myself. In the case of car owners, transportation costs are still heavier, owing to the upkeep of their car and all the repairs for which they must pay because they are unable to carry out those repairs themselves. In the case of a veteran suffering from a double amputation or an unmarried paraplegic who must pay for each little service or for whatever care he receives, his pension covers about 50 per cent of the cost of living. The government aims at rehabilitating the veterans in such a manner as to cause them to forget their physical condition or to make normal citizens of them. That objective will never be achieved so long as the first and paramount mental concern of a veteran has to do with financial problems. A veteran who, during the war, had a medium income, who now no longer can work or who can do very little work, has a right, gentlemen, to expect from the country for which he gave so much, that it should be grateful and enable him to rear and educate his children so that they in turn will become normal citizens, citizens who are proud of their country as we are ourselves.

Gentlemen, I am not very proficient in the use of the English language, but I will do my best. The rate of pension which is now being paid to the seriously disabled veteran is inadequate to cover the actual cost of living. Many of these veterans cannot work. Some can only work part time. This is especially true of double amputees and paraplegics. For a double amputee or a paraplegic who has to work at some distance from his home, the cost of transportation is very high. Last year, I paid \$800 in taxi bills. It is very difficult for us to get on a tramway in a crowd. Our physical condition will not permit us to stand for one hour or one hour and a half on a shaky tramway in order to get to work. Therefore, we have to use taxis.

For those who own a car, it is more expensive because every little repair, washing and greasing, has to be paid for by them. Of course, it is more useful to have a car than to use taxis because it permits some sort of social life. Otherwise, our expenses are too high. We cannot afford to take a taxi to work and then take a taxi at night to go to a show.

A veteran who, before the war, was in what we might call the middle income bracket and who now can only do part time work, I believe has the right to expect his country to cover the difference between what he would be earning now if he were not crippled and what he is now earning.

It is practically impossible to raise a family now on the pension we are drawing. I hate to think what my children and the children of the other cripples will say if, by the time they reach manhood they have not had a proper education due to the fact their father could not afford it because of his war disabilities. I believe, gentlemen, our children will fight the next war. I hope there is not one. We all like to see our children brought up as normal citizens, proud of their country the way we are proud of it.

The CHAIRMAN: Thank you very much, Mr. Desbiens. If there are no more questions, I believe the steering committee thought we would have the officers of the department and of the Canadian Pension Commission present tomorrow to answer questions. Then, I think, in line with what the steering committee had in mind, we should take up the bill and see how much of it we are prepared to report back to the House right away.

Now, does anyone wish to ask any further questions?

Mr. FULTON: There is one question I should like to ask of Colonel Baker. I notice on page 7 of the brief there is a recommendation that the widow's pension be increased to \$80 a month. I might say I am surprised at that and I do not agree with it. My own view would be that a widow's pension should be the same as the pension for the totally disabled. I wonder if you would say, Colonel Baker, whether there is any argument you would advance in support of the \$80 a month as against my contention that the pension should be the same as that for a totally disabled man which you recommend should be \$100 a month?

Colonel BAKER: My only thought is that your whole pension or war disabilities compensation system, as we insist on calling it, is based on the individual who served. Now, when it comes to compensation you are covering, not only the loss of earnings but, in some degree, the fact that the man has to carry his disabilities in and out of hours; it affects his whole life. In the case of a widow, there is no disability contemplated there beyond that of age and the fact that she may have cared for her husband and there may have been some extra strain. We could not reach the point of agreeing that the widow who lost her husband, at whatever time in life, should be pensioned or given an allowance equal to the war disability of \$100 compensation rate.

Mr. CRUICKSHANK: May I ask one question?

Mr. WRIGHT: Has your organization any preference as to the means by which the pension should be raised to \$100? Would you prefer it attached to the cost of living index or would you prefer a flat increase which would not fluctuate as the cost of living goes up or down?

Colonel BAKER: Well, of course, I am inclined to think that if it were possible to work out a perfect regulation for war disability compensation to meet the fluctuations in the cost of living, that would be fine; but our experience has been that, all too frequently, the adjustment lags—especially on the up grade.

Mr. CRUICKSHANK: May I ask whether you will have available tomorrow an official who will give information as to how this increase in hospital costs is arrived at? I am very interested in it and I should like an official available to answer that question.

The CHAIRMAN: I understood from the committee this morning, Mr. Cruickshank, it was felt we should deal with the pension matter tomorrow and not take up that matter until later. Now then, I understand that that increase has not gone into effect as yet, so there is no harm being done to anybody by deferring it until we get through with the pension matter.

Mr. CRUICKSHANK: The only reason I asked is that I understand you are having some other officials here tomorrow to give certain information so we can intelligently study the bill. However, if I get that information at some other date, it is all right.

The CHAIRMAN: I have suggested to Colonel Baker, that, in view of the fact we are only going to be considering this pension matter at the moment, perhaps he might consider sending a small delegation back to discuss some of the other aspects of the matter before us. Then, there would be a further opportunity to the Canadian Council of Veterans' Associations to make further submissions on other matters. They made a complete submission today, but I thought perhaps they might want to make some further submissions when we take up such matters as war veterans' allowances and so on. I believe we may have a chance of having a small delegation from the Canadian Council of Veterans when these other matters are discussed if the committee desires it. I believe that is right, Colonel Baker?

Colonel BAKER: That is right.

The CHAIRMAN: Are there any other questions?

Mr. FULTON: Yes. With regard to the case of the totally disabled who are now in receipt of helplessness allowances, I wonder if Colonel Baker or one of those who prepared this part of the brief would say what their views are on the desirability of providing the totally disabled with an attendant at departmental expense?

Colonel BAKER: That, Mr. Chairman and gentlemen, would be helpful in certain cases. In other cases, it would not be so practical because attendance is required at various times during the day and not full time. That is one of the difficulties we have with this matter of helplessness and attendants.

For instance, in the case of a paraplegic, if I may for a moment refer to them, certain of their requirements are during the day time and certain of their requirements are in the evening or early morning, in their waking hours. At that time, they need a certain amount of assistance, yet it does not necessarily call for a full time attendant. In fact, they are very difficult to procure these days.

Mr. BROOKS: In connection with blinded veterans, I understand that under the American system they have been given a seeing eye dog. I do not know whether that is correct or not, but I should like to hear what Colonel Baker has to say in that connection. Would that be practical or not?

Colonel BAKER: Well, Mr. Chairman, our experience with the seeing eye dog is simply this; of the 130 veterans of this war who were blinded, I have approved 3 for seeing eye dogs. One veteran who received a seeing eye dog has since died. The second one used it for four months and then we found it tied up as a watch dog. The third one balked before he went forward to get it.

Now, actually a seeing eye dog has been given to a number of American blinded veterans, but then you have to remember this, gentlemen, that in the United States they have not had the full re-adjustment training course which we have provided in Canada. In the United States they had no central training place for their war blinded, although they have some 1,500 in this war as against our 130. In the United States they did set up an army adjustment centre at Avon, in Connecticut, not far from Hartford. There they gave the chaps a twelve weeks adjustment course. It was found that about 30 or 35 per cent of the men did very well in this adjustment course. It probably helped them greatly. Another 40 per cent were just mildly interested. They felt they had to take it because they were still in uniform and still subject to army orders. There was still the Last Post sounded every night. Others simply would not co-operate. That adjustment was only partially successful because there was no training of the man under his peace time control conditions.

We do this. The man is out of uniform. He is told he is expected to behave as a civilian under his own control. He learns to adjust himself accordingly. Then, too, we go back to the home and we train the wife or the parents or the family members in the home. We bring them into the home under conditions where the adjustment process is carried out. The net result is that, instead of getting home and having his whole adjustment process blow up in his face, the family is prepared and co-operates with him. It is much more likely to stick.

Then, we carry on into a specific vocational training. In the United States they are dependent on their local organization for the blind in the individual States to complete their vocational training. In some cases it is done and in other cases, not. So, that is the situation. We do not like to place any blinded soldier with a seeing eye dog before the blinded soldier is able to stand on his own feet, get about independently and decide where he wants to go and figure out how he is going to get there. Then, he can command a dog. We could not imagine giving him a seeing eye dog when he is hopelessly dependent on the dog. The dog cannot read street numbers, telephone numbers or street names. He cannot do any of these things.

The German government, at the end of the First Great War, instead of paying helplessness allowances or guiding allowances to the 6,000 odd war blinded, gave them trained dogs. They trained these blinded soldiers in batches. They trained 6,000 dogs and turned them loose. I have often wondered what happened to those soldiers after that.

Mr. FULTON: On the question of helplessness allowance, I do know this, that in some other countries attendance is provided or special additional allowance is made when an attendant is necessary. You have recommended \$1,200 helplessness allowance. It seems that something extra is going to be necessary in the case of those who are so totally disabled as to require an attendant. How do you suggest that be done? By an additional allowance, by the discretion of the minister; how?

Colonel BAKER: Let me get this straight. We are not suggesting that the \$1,200 allowance apply to the war blinded. At the present time out of \$750 maximum total the war blinded are allowed \$480 a year. We are not suggesting that the war blinded get the \$1,200 amount—only a proportion. We consider that the paraplegics and certain other serious disabilities are the ones who are very urgently and even desperately in need of that enlarged helplessness allowance.

Now, you will recall, gentlemen, that in our recommendation on the basic rates of pension we suggested not only the increase of the \$100 to the single man and \$135 to the married, but we pointed out that there were the super disability group, and most of that group are in the unemployable list or at least in only desultory employment if possible. For them we are very much concerned, because these fellows' lives are pretty much of a burden to them. In addition to their disabilities and the frustrations resulting therefrom they are in addition tied up financially so they cannot move with their neighbours and their friends and be kept active.

Now, we could not—I do not think—ask for the double indemnity rates they get in the United States for serious disabilities. It is true there are wives' and children's allowances provided—we heard that suggested in our brief—and we would be very happy to discuss with this or any other interested body a possible solution of their difficulties.

If I might be so bold as to suggest, what we had at the back of our minds was this. When you have a straight addition of disability exceeding 100 per cent that the excess over the 100 per cent should be covered by some super disability compensation at the rate of 50 per cent of the disability assessed by ordinary means over the 100 per cent level. That would mean that for a 200 per cent disability man his net addition comes off of that and he would receive 150 per cent plus his approved quota of the helplessness allowance, either partially or fully, as warranted, and leave the allocation of that to the discretion of the Canadian Pension Commission; because we realize, as they do, and as you must do, that no two disabilities are exactly the same; they vary all over the lot, and we prefer to see the real hardship cases taken care of.

Mr. BROOKS: Would you increase the wives' allowance and the children's allowance in the same proportion?

Colonel BAKER: No, I do not think that would be called for. This would be a special consideration to the man who carries the disability.

Mr. HERRIDGE: Your organization suggests the adjustment of the helplessness allowance to the higher ranks to bring them up to the helplessness allowance of the lower ranks. That is the first time in Canadian history that generals have been brought up to privates.

In view of that suggestion would you say that was an endorsement of the principle of equality of pension regardless of rank?

Colonel BAKER: Well, as a matter of fact we were sidestepping the question of higher rates of compensation for the higher ranking officers. I do not begrudge them anything, but I do say that when the means test was applied to the helplessness allowance in these cases it violated a principle, and that that principle should be re-established so that helplessness allowances where they are warranted by physical conditions should be applicable throughout the whole scale. Now, let him who has the courage tackle the higher rates for the higher ranking officers; that is his job, not ours.

Mr. HERRIDGE: Lots of us have.

Colonel LAMBERT: Mr. Chairman, it has been detailed to me to say a very gracious and kind word to you, sir, and to those associated with you on this committee. For the first time we have brought a formidable delegation to any parliamentary committee. As I say, we are fading out of the picture. When you talk about pensions for the great war of 1914-18, do not be too far-seeing, because we won't be here to receive them and the children will be off pension pretty soon, if they are not already off. So you do not have to worry so much for pensions for those people; all we want you to do is to take care of these lovely women who have taken care of us; they deserve the helplessness allowance; these women we have married who look after us and treat us like babies.

Here is a fine group of young fellows and we presented them to you this morning as our successors.

There is one man we miss here today; a lot of you will miss Dick Myers. He is broken down completely in health. He was one of the finest and loveliest men who ever appeared before a parliamentary committee. He was the one who could submit the case so that you could understand it. I was so glad when you paid tribute to my friend Eddy Baker because he did bring a brief that you can understand. We did argue it before you, and I can imagine that there are not many questions you need ask about it. We put everything into this thing and we have had the assistance of this delightful group of young amps and paraplegics and young blind men, and there are plenty more of them somewhere if you care to bring them together. We have tried to train them to be decent and to take up the thing that counts and deal with the matter that concerns those who need help most. Some of us do not need a thing. Some of us may not need pensions or anything. But we do stand guard over those who do, and that is the whole story of Eddy's attitude this afternoon.

I want to say just a word of gratitude, Mr. Chairman, for everybody here and to the minister himself—our friend Milton Gregg. He gets on the train and talks to everybody on the train and meets us all and sees that we are cared for and that someone meets us at the Parliament Buildings and receives us and brings us in. That is the kind of thing that is done for our lovely fellows in wheel-chairs. We want this committee to know that this group of young fellows are stalwarts of the army of veterans. You do not need to be afraid of the veterans of Canada. There are a lot of people you need to be afraid of, but not these. We would never ask for a thing. We must keep them fair and sweet and happy. That is our business. That is all we do in the organization. I have been the president of it for twenty-five or twenty-six years, and I ought to know; I have travelled this road. We are going out of the picture, those of us who have studied this story. We are going to say thank you for being so gracious to these lovely young fellows. They will take our place, and I hope they will do the work better than we have done it. However, we do feel obligated, and we particularly feel obligated when we come to you. We appreciate, Mr. Chairman, your kindness to us today; that is typical of those we have been dealing with. May I say to the minister that that is typical of those who have dealt with us through the years. I want to say a word to those not only on this committee but to our departmental friends. How could we have a finer fellow to deal with than Jimmy Melville? I want to say—and that is what I have been asked to do—to the members before I leave: you cannot pay our expenses; you cannot do that, we would never take a dime; we do not do that; we are a wealthy organization; we are an organization that gives; we never take.

Mr. LENNARD: Others do.

Colonel LAMBERT: I know they do. Our object in life is to do something for these people and in the doing of it you can be sure we have compensation. You will never know about the compensation in our lives: happiness makes the difference.

And so, Mr. Tucker, will you accept the thanks of these lovely lads. We are the guardians of these kids. All we are doing is training them to be something like ourselves—just useful as we have been. We thank you very much, and we want you to put it in the record that we have come from Montreal and Windsor and British Columbia and Toronto and Ottawa—all these places—to assist in every way we can to evolve a better situation for those who are under our care. We ensure them, we guarantee to them. We have never met any committee that has been so wonderful to us. I am glad you have seen the picture we have left with you. You must do something about it. Don't dare let us down or we shall be down again. More than that, we will not be down here again but, by heavens, we will be in your constituencies.

This is just a word from the Padre with all his passion and love for these fellows. You would love them as I do if you had lived with them as long as I have. The old ones are on their way out. Ask the Pension Commission how many of them are dying or have died from December, 1925, to last Christmas Day. You ask the question: how many of them have died? Just travel with me. You come back with me and you will see that at 10 o'clock tomorrow morning I will be at the funeral of a wonderful soldier and officer with six or seven kids who served in this war. At 11 o'clock tomorrow morning the piper of my old battalion from Calgary, Alberta, will be sounding the Last Post, and that man's pension will cease. You will not have to worry about it; and his wife is just about going the same road; you will not have to worry about her.

That is the picture. Let us do all we can for these people while we have the opportunity, and let Canada feel that because of what they have done for Canada she can do for them—oh, just a little bit.

Thank you, Mr. Chairman. You have been wonderful; and this is the vote of thanks from the organization who have come to this parliamentary committee. What do you say, lads? (Applause from the delegation.)

The CHAIRMAN: Well, gentlemen, I think I can speak on behalf of the committee in saying that it has been a great experience to hear the moving words of Padre Lambert and to meet him and those associated with him. We have heard of his wonderful work among the veterans for many years. I say this today that the Prime Minister came and was glad to meet some of the paraplegic boys; I am sorry he could not meet them all; they were not there.

We have had a moving experience today in seeing these brave boys and watching the way they face life so courageously with all their handicaps and so on. I thought to myself that if only the whole parliament and the whole government could have had the experience which has been our experience today it would be a good thing for parliament and a good thing for the government and a good thing for Canada and a good thing for the future of Canada; and as Colonel Brooks said so well today at noon, I feel that you have given us all a wonderful experience and given us a chance to meet you and to see what wonderful courage you bring in facing the problems with which you are faced.

I know I speak on behalf of all our members of the committee when I say that to you. We are not saying that for the sake of making you feel good; we feel it in our hearts most deeply; and we thank you, Padre Lambert, for your words to our committee because we have been glad to have you come and glad to have the little picture of life as you face it. I think you can rest assured that we in this committee will do the best we can, some members in one way and some in another. People who sit on the opposition side have their way of doing their best; those who sit on the government side have other ways; but you can depend upon it that in one way or another—although you may not know it—all the members of the committee are feeling for you in order that we may get what you think is fair for your comrades and our comrades. We are proud to be comrades with you. We do thank you for the wonderful speech you have given us and for the able and moving way, Colonel Baker, in which you have led your delegation and in which they have supported you. I am sure it has been a great experience for all of us. I feel my words are most inadequate. I wish somebody else would put into words what I feel but, at any rate, I do not want to conclude without telling you that we do appreciate meeting you and the wonderful way in which you presented your case. We do have the deepest admiration for you one and all for the way in which you are carrying on, and the way in which you are fighting for your comrades. Unless somebody else wishes to say anything further we will adjourn until 10.30 tomorrow morning.

—The committee adjourned to resume at 10.30 a.m. on Tuesday, March 16, 1948.

APPENDIX "A"

CANADIAN LEGION SUBMISSION TO THE PARLIAMENTARY COMMITTEE OF THE HOUSE OF COMMONS 1948

PENSIONS

INCREASES TO OFFSET COST OF LIVING

1. *Recommendation*

That all pensions awarded under the Canadian Pension Act be increased by 25 per cent, either as a revision of the present rate or as an addition to pension by way of a Cost of Living Bonus.

Comments

The increases proposed by the Canadian Legion are based on a calculation of the percentage rise in the cost of living since the present rates were established, using the Cost of Living Index as published in the *Labour Gazette*, and a general rise in the standard of living during the past 20 years. The present pension rates were established in 1925 when the Index was 121·8. The most recent published Index figure in the *Labour Gazette* is 148·3.

Disability pensions are compensation for injuries or disabilities suffered as a result of war service. It was never intended that they should be at bare subsistence level. Awards are based upon medical advice as to the individual's capacity to take employment in the common labour market. It is reasonable, therefore, to expect that a 100 per cent pensioner should receive compensation at least equivalent to the wage paid for common labour. On an average throughout Canada this would not be less than \$100 per month, reckoning on the basis of an hourly rate of fifty-five cents and an eight hour day.

The Government's new proposals provide an over-all increase amounting to 16 per cent or about two-thirds of the Legion's objective of 25 per cent. Obviously, even at the new proposed rates, unless the cost of living is materially reduced pensioners will have to accept a lower standard of living. The Cost of Living Index has risen another two points since our calculation for a 25 per cent increase was made. There is little evidence to suggest that any substantial recession will occur for a long time.

The Government's proposed increases indicate that they favour a revision of rates rather than granting a cost of living bonus, to rise or fall with living costs. We agree that this is desirable, but assert that the new rates should be adequate to maintain, or assist in maintaining, a reasonable standard of living. Having in mind that the earning capacity of the majority of pensioners has been seriously modified by their war disabilities, pensions must be regarded as an essential part of their income. If their compensation for disability is not adequately increased they will be forced on to a lower standard of living. Neither the veteran body nor the public desire this to occur.

HELPLESSNESS ALLOWANCE

2. *Recommendation*

That maximum helplessness allowances be increased to \$1,400 to offset the rising cost of living, and that anomalies resulting from differentiation in rank be removed.

Comments

Rising costs make the present rates of helplessness allowance inadequate especially where help must be paid. It is no longer possible to secure help at a wage that the pensioner can afford to pay. The maximum helplessness allowance payable to single pensioners below the rank of Captain is \$62.50 per month. Under the new rates proposed by the Government a totally disabled pensioner requiring helplessness allowance would receive approximately \$1,800 a year. This is insufficient for a single, incapacitated pensioner to secure the help he needs and live as he should.

Helplessness allowance is paid to pensioners below the rank of Captain (Army) according to determination of need by the Canadian Pension Commission, at a rate of not less than \$250 per annum and not more than \$750 per annum. For higher ranks helplessness allowance is reduced accordingly. An example of how the new pension rates, plus helplessness allowance, affect the higher ranks is indicated hereunder:

Basis—100%	Proposed New Rate		Total
	Monthly Pension	H.A.	
Below Captain (Single)	\$ 87 00	\$62 50	\$149 50
Captain (Single)	87 00	54 16	141 16
Major (Single)	105 00	32 50	137 50
Lt.-Col. (Single)	130 00	7 50	137 50

The anomalies are obvious.

The Legion is not satisfied that the totally disabled and helpless are adequately compensated. It has been frequently stated that Canada's pension rates are the highest in the world. This is certainly not the case as far as the totally disabled and helpless are concerned. In the United States, according to the Official Manual, explaining Veterans' Rights, Privileges and Benefits (Page 60), compensation rates for service connected disabilities range from \$13.80 to \$138. per month, with special rates or allowances for specific disabilities ranging as high as \$360 per month, the latter rate, of course, being for the totally disabled and helpless. The maximum payable to a Canadian veteran, with helplessness allowance is \$149.50, only \$11 a month higher than the total disability pension paid to a United States veteran.

Having in mind what they have to contend with, many of our helpless pensioners must be living at bare, if not below, subsistence level under present conditions. The Government having found it necessary to increase the cost of hospitalization for the few veterans that are taken in on a payment basis, from \$6.50 to \$9 per day, then it is clear that a helpless veteran at home cannot be adequately maintained and cared for on the maximum of between \$4.50 and \$5 per day that would be available under the new proposed pension scale plus the present rate of helplessness allowance. It is the Legion's view that a helpless pensioner, needing care and attention, requires an income under present conditions of not less than \$2,400 per annum. Under the proposed new pension rates this would require a maximum helplessness allowance of \$1,400 per annum. If the Legion's 25 per cent increase in pension rates were approved, then a corresponding decrease in our helplessness allowance proposal would be in order.

There are few pensioners in this class so that no large financial commitment would be required. According to the Report of the Department of Veterans Affairs for the period ending March 31st, 1947, there are a total of 660 veterans receiving helplessness allowance—409 of World War I, and 251 of World War II. The nation both desires and can afford to be generous to these helpless veterans, and it is the Legion's request that substantial increases in their annual income be provided, to permit them to live in as reasonable comfort as their disabilities will allow without the added burden of financial worries.

STABILIZATION OF PENSIONS WORLD WAR I VETERANS

3. *Recommendation*

That the Pension Act be amended so as to stabilize the pensions of World War I pensioners, but permitting upward revision of pensions in cases where the disability has progressed by an extension of the automatic increase principle.

Comments

The average age of the pensioner of World War I is 59. At this age the chance of a pensionable disability improving to any appreciable degree is most unlikely. Cutting pensions at this age is not an economy and gives rise to great discontent and feelings of injustice.

The principle of granting automatic increases with advancing age has already been established in the case of pensioners suffering from gunshot wounds. The same principle should now be applied to all World War I pensioners, and thus bring to an end a discrimination that is felt to be unjust.

ELIMINATION OF EXCEPTIONS UNDER 11 (c)

4. *Recommendation*

That pension shall be paid for the entire disability of any man or woman who served in an actual theatre of war except only if it was obvious at the time of enlistment.

Comments

Section 11(c) has been one of the most contentious since the termination of World War I. The principle of payment for the entire disability is established in the Act but is modified by the following exceptions, in which case pensions are paid only for aggravations:

- (a) If the disability is wilfully or deliberately concealed at time of enlistment.
- (b) Disability obvious on enlistment; and
- (c) Disability recorded on medical examination prior to enlistment.

The Legion recommends the elimination of exceptions (a) and (c). The effort was made to soften the effect of (a) by adding the word "deliberately" in 1946 in order to give the Canadian Pension Commission wider powers in adjudication. The Legion, however, still believes that in the case of men who served in an actual theatre of war, this exception should be entirely eliminated.

Exception (c) even more contentious because even the most insignificant admissions by the pensioner at the time of enlistment have been interpreted to establish a pre-war disability.

We would ask that the Committee recommend elimination of these exceptions which, in effect destroy the principle of the Section frequently on premises that cannot be accurately or credibly established.

FRACTIONAL ASSESSMENTS

5. *Recommendation*

That Schedule "A" be amended to provide that fractional assessment be determined on progressions of 5 per cent except where disability is considered to be sufficiently compensated by gratuity.

Comments

The present practice is to assess pensions in such fractions as 22, 23, 26, 27, 28 and 29 per cent and pension is paid at the lowest figure between ranges of 5 per cent. For example, disability pension is paid at the rate of 25 per cent for all disability rates between 25 per cent and 29 per cent. This proposal would eliminate the intervening fractions between 5 and 10, 10 and 15, 15 and 20 per cent, etc. Thus a pension presently rated at 27 per cent would be assessed at 25 per cent, but a disability presently rated at 28 per cent would be assessed at 30 per cent.

Ottawa, Ontario,

March 15, 1948.

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SESSION 1947-48
HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 2

TUESDAY, MARCH 16, 1948

WITNESSES:

- Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant Chairman,
Canadian Pension Commission;
- Mr. E. L. M. Burns, Assistant Deputy Minister, Mr. E. J. Rider, Research
Adviser, and Mr. E. A. Dunlop, Superintendent, Casualty Section,
Department of Veterans Affairs.

EDMOND CLOUTIER, C.M.G., B.A., L.P.
KING'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA
1948



MINUTES OF PROCEEDINGS

TUESDAY, March 16, 1948.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m., the Chairman, Mr. Walter A. Tucker, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Croll, Cruickshank, Dickey, Emmerson, Fulton, Gregg, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, McKay, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Skey, Tucker, White (*Hastings-Peterborough*), Wright.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant Chairman, Canadian Pension Commission; Mr. E. L. M. Burns, Assistant Deputy Minister, Mr. E. J. Rider, Research Adviser, and Mr. E. A. Dunlop, Superintendent, Casualty Section, Department of Veterans Affairs.

Mr. Melville was called, heard and questioned.

Mr. Melville filed a statement regarding awards, liabilities and decisions rendered by the Canadian Pension Commission, which is printed as Appendix "A" to this day's minutes of proceedings and evidence.

Mr. Herridge moved that the Committee recommend that the amounts set forth in schedule A and B to the Pension Act be increased by 25%.

Mr. Burns was called, heard and questioned.

Mr. Rider was called, produced a graphic chart "Annual Averages of Index Numbers for Cost of Living, Wage Rates and Employment 1914-47," and was questioned thereon. (Printed as Appendix "B" to this day's minutes of proceedings and evidence.)

It was ordered that photostatic copies of the chart produced by Mr. Rider be procured and made available to members of the committee.

It was ordered that the tabulation upon which Mr. Rider's chart was based be printed as Appendix "C" to this day's minutes of proceedings and evidence.

Mr. E. A. Dunlop was called, heard and questioned.

Mr. Dunlop filed a statement "Rehabilitation distribution of seriously disabled veterans according to percentage of entire disability as of 15th November, 1947," which was ordered to be printed as Appendix "D" to this day's minutes of proceedings and evidence.

At 12.40 o'clock p.m., the Committee adjourned to the call of the Chair.

A. L. BURGESS,

Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

MARCH 16, 1948.

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, let us proceed. My attention has been drawn to something in the evidence where I said that the \$9 per day rate for in-patient treatment has not gone into effect yet. That is my information with regard to paraplegics and that is what I am referring to; I am told with regard to other patients, patients other than paraplegics, it has gone into effect except with regard to some cases of patients of allied governments which go into effect the 1st of April. I want to make that plain that I was referring yesterday to paraplegics, concerning whom I had information.

This morning we have with us the chairman of the Canadian Pension Commission, Mr. J. L. Melville. We have also with us Mr. Dunlop who can give us some information on the employment of people with various disabilities. Then the research adviser of the department, Mr. Rider, is preparing a graph and information with regard to wage levels and the rise in the cost of living and so on. So the committee will have that information in front of them later in the morning.

Then, perhaps, we can call on the chairman of the Canadian Pension Commission, Mr. Melville, to start the submission; but before we do that I think I should say that we should have another meeting of the steering committee to discuss the question of what we are going to do about the bill itself. I did not go into that matter at any great length yesterday, but the steering committee discussed the matter and it was the feeling—I throw this out so that everybody can think about it—it was the feeling of all the members that we wanted to get the cheques out. Then the question was, how much should be put into the bill and how much should be held out of the bill, and there was a feeling by a number of us that the way the session has progressed—or not progressed—so far, it might be probable that it would not be possible to get a further Pension Bill introduced into the House.

Mr. LENNARD: Why not?

The CHAIRMAN: On account of lack of time. If we are going to take the adjournment at Easter which we are going to take, and the members are aware of the proposed adjournment at the end of June, it is a question of whether it will be possible to get a second bill introduced into the House.

Mr. BROOK: There are three months' time yet.

The CHAIRMAN: You will agree that Mr. Green, for example, doubted whether we would get another bill into the House.

Mr. BROOKS: I do not recall that he did; I think Mr. Green was one of those who wanted this bill dealt with so that we could get the cheques out, but he felt there should be another bill introduced which would look after the other legislation.

The CHAIRMAN: I am saying he doubted very much if one would be introduced; and I was wondering, with the way time seems to be running away on us, whether it would be possible to get another bill introduced. My attitude at that time was to get as much as we possibly could into this bill to help veterans. On

the other hand, some members thought the more that was held out of the bill the more likely the government would be impelled to introduce another bill.

Now, I am stating the situation plainly. I understand from the minister that the program for the rest of the session has not been fully discussed, and he does not know yet for sure whether there will be a chance of getting a further bill introduced or not. It seems to me that before we make a decision on this matter—I think it is best to lay the cards on the table—we should know exactly the chance of getting another bill introduced and then we can decide in the light of the government's decision whether they are willing to contemplate introducing a second bill. I mention that this morning, not for the purpose of opening up a debate, but so there may be no misunderstanding about it and so that the minister may tell us at the earliest possible date whether there is a possibility of having a second bill or not. Then we will decide what we are going to do about the bill in front of us. I thought it was best for us to take that up early.

Mr. BROOKS: Mr. Chairman, perhaps I did not understand you altogether, as to what you had in mind. My understanding was that you were anxious to get the bill through so the cheques would get out, which would mean that only a very small part of this bill, a very few sections, would need to be dealt with at the present time; that you did not propose to deal with any of the other matters which have come before this committee with reference to pensions and veterans affairs because to do so would use up so much time that we could not get these cheques out, or that we could not get the bill through before the Easter adjournment, but that if we dealt entirely with this matter of getting the cheques out the bill could go through in abbreviated form and that we would be given an opportunity of dealing with these other matters in the subsequent bill. There are still three or four months of the session ahead of us after the Easter recess. Frankly, I do not think there should be any difficulty about getting a bill through in that form, and I think that as far as the veterans are concerned that is the logical way to deal with the matter.

Mr. MUTCH: Mr. Chairman, I do not think that the steering committee should hold its meetings in the main committee.

Mr. BROOKS: The chairman introduced this.

Mr. MUTCH: I am in the not unusual position of being on the steering committee. I will not undertake to speak for Mr. Green. I have learned better than that in the long years we have worked together—

Mr. BROOKS: That is not necessary.

Mr. MUTCH: I think we all agreed on the first point, that cheques should go out on time, then we glanced somewhat hurriedly over the bill to see how much of it would be non-contentious and might be cleared up without delay. That was the first approach. Then, the point was raised by someone if we are to reserve enough of the bill to make is reasonably sure that we would have an opportunity to make further recommendations; for instance, there is the matter of raises in the commission, really not a matter requiring legislation as it is already taken care of as a civil service matter. I think my recollection is correct that there are just three other clauses suggested that we might leave. I think before that matter is disposed of we ought to have a meeting of the steering committee again to consider it.

Mr. BENTLEY: Mr. Chairman, as I recollect the steering committee meeting Mr. Brooks was correct, we did expect that; and we were made to believe, or were encouraged to think that those parts dealing with raises would be dealt with immediately, and that my understanding was that they were to have been dealt with before the Easter recess, although that did not appear in his statement of yesterday. It is important that the bill should go through. My impression was that we were going to take that out of this bill in order that we could get those sections through as quickly as possible so that the cheques could go out

at the proper time, and so we would get these increases established. There was no hint of what I recognize this morning as almost a threat that if we do not accept this bill in its entirety now we may get no other opportunity to do anything. I do not like to feel that myself. I think this is something the committee will have to deal with.

Mr. QUELCH: Mr. Chairman, seeing that the rest are speaking I feel obliged to say a few words. I think it was the understanding of the committee that we would deal with the increases and possibly one or two other sections and that we would hold back a large part of the bill to ensure that we would have a chance to introduce other amendments to the Pension Act. If we did not feel there was an assurance that there is going to be another bill brought down we might have to take more time on this bill. My understanding was that we would not hold back the main purpose of this bill but that we would pass the necessary portions of it and leave enough over to deal with other matters.

The CHAIRMAN: Gentlemen, I think Mr. Quelch has more or less stated what I had in my mind. We were all concerned about getting the cheques out. There was some question as to whether it would be possible to get another bill into the House and I thought, before we acted on the assumption that we would get another bill into the House, we should make absolutely sure we could rely on that being so. It was for that reason I mentioned it this morning. I have suggested to the minister he find out definitely the government's policy in connection with that matter in order that we may be able to make our decision in the light of that decision.

There was some doubt as to whether a second bill would be introduced. It was understood we would study the matter and make recommendations, but whether the government would have time to consider them and formulate a bill on that basis was, of course, a matter on which no one could be sure. Only the government could decide that. So there will be no misunderstanding, we should get a government decision on that matter. Then, in the light of that decision we can decide how much we will put in the bill. It was for that reason I brought the matter up this morning, knowing the minister would be present and that he could report the discussion to the Cabinet. Then, in the light of what he reports to us we can decide how far we will go with this bill. I thought it better that there should be a complete understanding.

I felt it all the more necessary to do that because we of the government party have no right to speak on behalf of the government in the steering committee. I wanted it made doubly plain we could not be sure and still do not know whether or not it will be possible to get a second bill into the House. That was my purpose in bringing the matter up today. I hope the minister will be able to get a decision, perhaps this morning, and if he does we might hold a meeting of the steering committee to consider that decision and report back to this committee perhaps to-morrow afternoon or Thursday morning, as the steering committee may think best.

Do you wish to say anything, sir?

Hon. Mr. GREGG: I think you have brought up a point there which should be faced this week by this committee. First of all, I am only expressing a personal opinion because this thought of breaking the bill in two is new to me. You discussed it with me yesterday after the delegations were here. It strikes me that the thing we must guard against is the possibility of the chairman, the minister or anyone else making a statement to you now as to what may happen in May or June and then, through force of circumstances or any other reason, that could not be carried out. I think that would be a very bad situation. Consequently, I think the question should be faced now.

I cannot say, at the moment, whether the government could say now whether it would be possible to introduce a second bill after the Easter recess. If it is your wish, I shall attempt to get that clarified so far as possible.

I know that all members of the committee are anxious to work this out in the best way possible. I believe we all know the program that we see in front of us now. We know the things which have been hinted at as arising out of the debates on external affairs and, unless some miracle happens there will unquestionably be a period in the spring of this year when there will be a good deal of legislative indigestion. We do not want pension matters harmed by such a thing but, if it is the will of the committee, I shall attempt to discuss this quite frankly this morning if there is an opportunity, and I shall try to make an opportunity. Then I shall report the result to the chairman for the benefit of the steering committee and the next meeting of this committee.

Mr. Ross: Is it your thought that we can dispose of this bill before Easter?

The CHAIRMAN: In the steering committee our thought was to get as much through as possible that would help the veterans. That was the thought of the steering committee. However, when this other question came up I thought we had better find out for sure what the policy was going to be because I do not want it said afterwards we let something go through on a definite understanding, and so on. I thought it best to have a clear understanding as to what the government would do before we decided what we would do about this bill. My only purpose this morning was to get this thing clearly understood so there would be no possibility of a misunderstanding. I hope we will get a statement from the minister as to government policy, and then we can decide what we are going to do.

Mr. Ross: I would think we should try to cut down this bill so these payments can be made. We should try to get it back into the House and disposed of so that the payments can go out before Easter. I am very sure this committee would be unanimous there should be two bills. If it is the wish of this committee, and we are unanimous, I think the government should make some provision. With the time and the work that we would take in this committee there would not be a great deal of time taken on the second bill in the debate on the floor of the House. There would be practically none. It would be a matter of form in the House. The real work would be done in this committee. It would look like common sense to me to decide we are going to have two bills and get this thing through so that payment can be made before Easter. Then we can take the time during the remainder of the session to get the second bill in form. I think then it would not take very much time in the House of Commons. Surely that would seem like practical common sense. I would hope that the minister would report that was the feeling of the committee. We are very eager about it.

The CHAIRMAN: I wonder if we could not leave the debate on this point now.

Mr. QUELCH: There is one point in that regard I should like to raise. I should imagine when the minister takes the question up with the government with regard to another bill being introduced the very first thing the government will want to know is, "What other matters does the committee want that other bill to deal with?" For instance, I should imagine that stabilization of pensions of World War I would be passed unanimously in this committee with very little discussion on it. That would be one thing. There will be one or two other things the committee would like to have introduced in the bill. I think before the government will be in a position to give the minister that information they will want some intimation of what things we want introduced in the other bill before they will be prepared to say whether or not they will bring the bill down.

The CHAIRMAN: In the light of the submissions yesterday one of the things that is going to come up undoubtedly, if a second bill is introduced, is the general level of pensions. The question the government will undoubtedly have to consider is are they going to have another full debate on that matter this session, two debates on it or whether they may prefer to have one debate on it? I do not think anybody here can guarantee that there will not be a very full debate on the general level of pensions regardless of what we do in this committee.

Therefore I think that the government knows that this whole field is going to be discussed at least once this year, and they will have to decide whether they are going to have it discussed twice.

I think that if we get the government's decision they will consider what has been said in this committee, and the minister will report it, and they will bear in mind the desire of everybody to get these cheques out as quickly as we can. There is the thought that if there is too much of a controversial nature left in this bill it will delay them but yet on the other hand if there is a chance that we will not report in time for them to bring in further legislation we do not want some of the good things in this bill to be treated as hostages. We want them to go into effect. Some of the committee may want to do that. I think we are debating a sort of hypothetical question, but I wanted the committee to know why it was that the steering committee had not come to a definite conclusion in the matter.

I can say to the committee we will get that decision as quickly as we can and discuss it and report it back to the main committee. If we can leave it at that I will call on Mr. Melville to make his presentation, and the steering committee will consider the other matter and report just as soon as they possibly can.

Mr. PEARKES: Before you go on can you give us an indication if there is now any chance of getting these pensions through before Easter? It has been left so late now that surely it is not practical, even if we pass the whole bill today, to get it through both Houses and have it receive Royal Assent before Easter.

Hon. Mr. GREGG: I think it can be done. I think that the bill can receive Royal Assent if the House receives it and if there is not a long and protracted debate. Royal Assent would be possible if it were introduced in the House just as soon as this committee gets through with it.

Mr. LENNARD: I may say that if this is railroaded through the committee in the next week, as it stands now, you can rest assured it will not go through the House in a hurry.

Mr. BROOKS: If it is rushed through here there will be a protracted debate before Easter. The members will feel they should debate matters in the bill and matters which they think should be in the bill. If it is to be put through as it has been suggested, simply to get the cheques out and as a short bill, which to me seems very logical, it will go through with very little debate. Any debate will be after Easter and we have three months. Frankly I cannot understand the government taking the attitude there is not time to introduce another bill before the end of the session. I hope the government will not put us in the position of having to approve the bill so the cheques will go out in the first place and then shut us off from a debate on Veterans Affairs in the House. If the policy as outlined by the chairman is carried out I am satisfied that what I have said would be the result.

Mr. WHITE: You will remember when the bill came up for second reading it was stated there would only be one speaker from each party. As far as our party is concerned there were many fellows wanted to speak and that applied to other parties. It is not fair to those members and others who are not veterans to have this thing rammed through before Easter and then have somebody say "Well, if you want to talk you will have to take the responsibility for the cheques not going out." I think it would be well to clarify the whole matter and for the chairman or some member of the pension commission to tell us now if the government has decided on an increase of \$12 on the cheques which are all being prepared to go out without change. According to this statement brought around yesterday my impression is that the matter is definitely settled and the increase is going to be \$12 with no change. If that is right

I think it is only fair that we should be told now. I think it would have been more fair to have told that to those boys yesterday before they left.

The CHAIRMAN: On the point raised by Mr. White, the government decision was of course to make those payments and it was felt that the increases would be approved by the committee, subject to any recommendations that it might wish to make. Of course it is desired to get the cheques out as quickly as possible. That is the situation and it indicates the distance the government has agreed to go up to this time. It may be proper to recommend that it should go quite a bit further in some respects. No when the government will consider the recommendations of this committee as it should and would consider recommendations of a committee of this nature. What the government will do is a matter for the government to say but we know it has agreed to go as far as is indicated in this bill. Now we are going to discuss here how much further we would like to see them go.

I do not think there is anything wrong in trying to get the cheques out as quickly as we can on the basis of how far everybody is agreed they should go. I think we are all in agreement that we should try to get the cheques out as quickly as possible, and our discussion this morning indicates that it is a good thing I mentioned the situation so that there will be no misunderstanding later on; because what has been said by members with regard to the desire to debate this matter shows it is very necessary we should all know exactly what the situation is before we make any decision.

Mr. WRIGHT: I think as far as the committee is concerned, the expression here so far is that these increases that are proposed now should go out; but if by allowing them to go out we preclude the possibility of further discussion on further increases I do not think the committee will be prepared to go that far. I think we will all be prepared to see this particular part of the bill which allows the payments to be made to go forward and be passed; but we reserve the right to raise the matter of further increases later. In those circumstances I do not see any reason why these payments should not go forward before with that assurance.

The CHAIRMAN: The minister can report that to the government. Now, are we prepared to hear Mr. Melville's statement?

Hon. Mr. GREGG: Mr. Chairman, just to have the course of action clarified completely, I think I have the question clear as to the proposal for the breakdown of the bill: the new scale passed; the remainder held. There is no question about that. With regard to the other course which was mentioned a moment ago, is it this; that the present bill in full, with special amendments, perhaps not controversial, be brought forward before Easter to the House to go through quickly; and side by side with that consideration given by the government to new amendments to the Act that might be brought forward after Easter in this committee and acted upon if it is possible to do so. I do not believe, as I said, the government can give a firm guarantee as to what it can do in the field of any legislation next May or June—that is new legislation.

Now, are those the two courses of action?

Mr. FULTON: I have not heard anybody recommend the second. It seems to me the general consensus of opinion was that the first was the only course suggested.

Hon. Mr. GREGG: If the government has disagreement with what is the course, does what I have outlined here indicate the other course clearly for bringing back?

Mr. FULTON: I cannot speak for the committee, but speaking for myself I would be inclined to say that if the government does not accept the first course it will be up to them to decide what recommendation or verdict they

return to us. I would not be prepared to commit myself in favour of the other alternative before you make a report back from the government.

Hon. Mr. GREGG: I want to get the point cleared up.

Mr. PEARKE: Surely the practical thing that we can do is to get these cheques out now. I think it can be admitted that many of us do not feel that the increase is adequate and wish at least to make recommendations to the government to increase those amounts. That has been indicated. Now, is not there some machinery by which these cheques can be sent out now even though this legislation is not passed? We are considering in the House at the moment the continuation of the emergency regulations. I cannot believe that there is not some way in which these cheques can be sent out even though the bill has not been passed.

The CHAIRMAN: I am told, gentlemen, that the matter was looked into with the passing of wartime powers and the very limited nature of the Transitional Emergency Powers Act and the only way this money could be paid out is by legislation.

Mr. CRICKSHANK: Not by order in council?

The CHAIRMAN: No. We certainly have seen to it that the government cannot act by order in council on anything.

Mr. ROSS: All they can do is tax you.

Mr. BROOKS: Is it not the fact that the pension commissioners are receiving their increases as stipulated under this Act through order in council?

The CHAIRMAN: That was done by legislation; it was in the legislation passed in the estimates.

Mr. MELVILLE: Only the chairman and the deputy chairman.

The CHAIRMAN: And that was by legislation—the Appropriations Bill?

Mr. MELVILLE: Yes.

The CHAIRMAN: Now, Mr. Melville—

Mr. BENTLEY: Mr. Chairman, where are we now? What are we going to discuss this morning?

The CHAIRMAN: We are going to hear the presentation of Mr. Melville or Mr. Dunlop and the presentation of the research office adviser of the department in regard to cost of living and so on. We are going to place before the committee some of the facts of the situation; and just as soon as we possibly can we will get the steering committee together to consider the report of the minister that will be brought before the committee at the earliest possible moment.

Mr. SKEY: Cannot we have that report by 4 o'clock and cannot we meet again today and this evening if necessary? There is nothing to hold up the committee; the government are holding it up.

The CHAIRMAN: It probably would save time for the steering committee to meet and discuss the matter. Could we call the steering committee together at 2.30, say, to discuss this matter, and then we will probably be able to meet here again at 4 o'clock? I assure you we will press the matter in every way we can.

Mr. MELVILLE: Mr. Chairman and gentlemen, Colonel Baker visited my office this morning and he asked me if I would convey to the members of the committee the fact that he is in town and if his presence is desired before the committee he will be only too pleased to come to answer any questions or give any information that might be of assistance to the committee.

The Commission has prepared certain statistical statements. These were handed to the secretary and I understand they have been distributed to members of the committee. The question was raised a few moments ago in discussion

with regard to these photostats. These photostats were prepared by the Commission with the very sincere desire to make clear to the members of the committee just exactly what would be the effect of the amendments to schedules A and B of the Pension Act.

Now, on behalf of the Commission I would just like to say this, that I am very anxious indeed to answer any questions and to give such information as I can to the members of the committee. We will give you all the co-operation we can in that regard and are anxious to do it. I have the deputy chairman Commander H. A. L. Conn with me this morning. Now, I have no further statement to make.

The CHAIRMAN: Are there any questions to ask Mr. Melville before we call Mr. Dunlop?

Mr. BENDICKSON: What do the words, "6 Months Adjustment" mean? Is that retroactive to October?

Mr. MELVILLE: That is quite right. It has been stated that all of these adjustments should be retroactive from the first day of October, 1947, so we had these figures computed up to the 31st day of March, which is exactly six months. It will be noted that the adjustment cheque is practically the equivalent of one month's pension.

Mr. FULTON: May I direct your attention to page 4 and to the words "Theatre of Service—Outside Canada"? The statement gives figures of applications granted and not granted. Does that give the applications granted and not granted?

Mr. MELVILLE: Those are all applications which came before and were considered by the Commission for those who served in a theatre of war, outside of Canada.

Mr. FULTON: This statement refers to figures given for death. I wonder if you can explain why that should be? In the second part it says, "Theatre of Service—Canada and Outside Canada." Look at the second paragraph of figures: death—granted—711; not granted, 508. Now, in the fifth batch of figures it says, "Summary of Decisions, death granted 915; not granted 640." The 640 applications on account of death in a theatre of service outside of Canada strikes me as being high.

Mr. MELVILLE: A good many of these would be those discharged vets.

Mr. FULTON: Outside of Canada?

Mr. MELVILLE: They served outside of Canada. The war started in 1939 and many men had short periods of service, served outside of Canada and returned. Their theatre of service was a theatre of actual war but death may have occurred any time subsequent to discharge from service.

Mr. FULTON: It should not be taken that it is death within a theatre of service outside of Canada?

Mr. MELVILLE: Had death been incurred during service there is no question pension would have been awarded.

Mr. FULTON: That is what I cannot understand from my reading of this. Here is a man who died in a theatre of service outside of Canada, and the application for pension is on his behalf; is not that correct?

Mr. MELVILLE: No, I am sorry if I did not make the situation clear. If a member of the forces died during service, then death would have been attributable to service or incurred during service, and the dependents would have been pensionable as of right. When the Commission comes to consider claims after a man has been discharged from service and death has occurred from some cause, if that member of the forces happened to have served outside of Canada that is noted in our decision.

Mr. FULTON: That is what that means?

Mr. MELVILLE: That is correct.

Mr. BROOKS: I am looking at the total for World War I of \$36,286,000 on page 1. What was the peak that was ever paid for pensions for World War I?

Mr. MELVILLE: The peak liability for pensions for World War I was approximately \$41,000,000. The liability is actually going down very slowly.

Mr. BROOKS: And increasing for World War II?

Mr. MELVILLE: Very rapidly.

Mr. BENIDICKSON: Would you tell us the provisions of sections 45 to 49 of the Pension Act with regard to supplementary awards?

Mr. MELVILLE: Supplementary awards? There are various groups. By legislation which existed before 1946 and by amendments to the Pension Act of 1946, the following provision was made. Any Canadian who served with the forces of His Majesty or His Majesty's allies and who received an award of pension or gratuity from the country with which he served would be entitled to have his pension supplemented to Canadian rates on his return to Canada and during his residence herein. They include the cases of the South African veterans and so on.

Mr. QUELCH: Could Mr. Melville explain how the figure of 16 per cent was arrived at? What increase in the cost of living was taken into consideration and was consideration also given to the increase in the wage level? For instance, on page 4 of the brief of the National Council of Veteran Associations in Canada: "There has been also a substantial general improvement in the standard of living since 1920. The relationship between the requested \$100 per month for 100 per cent disability and the present wage levels is less favourable than the relationship between \$75 per month and the wage levels of twenty-eight years ago. How far would Canadian employers get in offering labour a 16 per cent or even a 33 $\frac{1}{3}$ per cent increase on wages of twenty-eight years ago."

Could Mr. Melville explain what consideration was given in that regard?

Mr. MELVILLE: I am not in a position to answer that question. The Commission is entrusted with the responsibility of the administration of the Act.

Mr. QUELCH: Was not the advice of the Commission sought?

Hon. Mr. GREGG: The question was raised yesterday, and I am sure that all members of the committee know the answer as well as I do; but I promised to say something today. Yesterday it was asked that officials tell the committee the basis upon which they arrived at these proposed increases. That is your point. As I said yesterday, there has been no general increase since the middle '20's in the pensions, and the government in this bill proposes to spend what is estimated by the commission as \$12,000,000 for the first year. As has been said, it is rapidly increasing. The government attempted to work out this permanent increase equitably between the pensioners, the dependents, the widows and the children. As far as the increase goes, I do not think there has been any great criticism expressed so far as to the equity of that distribution among the various types of pensioners. In working out that proportion advice from all available sources was received: the chairman of the parliamentary committee in the person of the parliamentary assistant, the officials of the department, the heads of the veterans' organizations that were here yesterday, and any other source that could be obtained. As to the amount of the increase, the government has taken and must take the responsibility for that amount as a maximum that could be proposed at this time or when the bill was placed on the order paper. I do not know whether that answers the question.

Mr. QUELCH: In the final analysis the government considered what cost they could afford at this time. Was the cost in terms of goods and services?

Hon. Mr. GREGG: That was one factor, of course, but there were other factors in relationship to the whole picture of Canada as was mentioned this

morning. The living standards of others of the Canadian population were considered by the government, and one might say, as far as it was possible, all the departments within the government were consulted to see what would be equitable at this time in the light of what can be done.

Mr. QUELCH: I recall the question was raised in 1936 and the Minister of Pensions, Mr. Power, stated it was not so much a question of what a soldier was entitled to as one of what the government could afford, and he said that in view of the fact that the country is now bankrupt we cannot afford any more.

Mr. PEARKES: Does that mean that the government will not consider raising the amount of money which is made available even though this committee might make a recommendation for an increase, and that the only good we can do in this committee is to discuss the readjustment of the amount of money which the government has made available?

Mr. BENTLEY: There was no consideration given to the pensioner's need. We must consider that as a statement. The basis was an arbitrary figure of \$12,000,000 of increase and an equitable distribution; is that what I understand? That is the way it sounded.

Mr. FULTON: It did seem to me, Mr. Chairman, as the minister spoke that he indicated the government set the figure first and then worked out what would be an equitable distribution within the limits of that figure; and if it was a figure of \$12,000,000 which is the determining factor—if that is correct—then what has been said is correct; if it is not correct we should be told, because a lot of the—

Hon. Mr. GREGG: I would like to correct that immediately. If I gave that impression I am sorry. The \$12,000,000 was not set as a firm deciding factor. The effort was made to attempt to bring in this session an increase that was felt would go far toward meeting the present situation. I am free to state that the amount of that was not reckoned until all the other factors were considered.

To answer the question of Mr. Pearkes, if I may, I do not think it is fair to state that in December or in January or now in March, the government will or will not consider any good suggestions that can be brought up. I think it has been evident, even related to this present increase, that there has not been a rigid fixed attitude toward it at any stage during the session.

Mr. HARRIS: Mr. Chairman, I think in fairness to the member for Quebec South it should be said, I am sure, that everybody realizes that he makes rather pungent remarks about government affairs at one time or another, and when he made that remark which Mr. Quelch referred to I am sure that all his activities and all his actions were directed to just the opposite of what sarcastic significance there might be in that remark.

Mr. QUELCH: I object to that. I am not suggesting that the minister at that time was being sarcastic at all; I think he was deploring the fact that that was the situation. I don't suggest he agreed with it. It was suggested it was a question of what the soldiers needed to live. The fact was he claimed the country was practically bankrupt and could not do anything better. I am not suggesting he was being sarcastic. I cannot see that because we were bankrupt then there is any excuse to say that we are bankrupt today.

Mr. DICKEY: Surely the minister at that time could not be held responsible for the bankrupt condition of the country. As the minister has indicated the liability foreseen by this proposed increase is \$12,000,000 for this year and it is also foreseen that the liability will increase; I think it might be helpful to the committee if we could have a suggestion as to the foreseen rate of increase involved in this \$12,000,000 liability at the present time.

Mr. MELVILLE: The annual liability at the present time for World Wars I and II is \$72,500,000 approximately. It is estimated that by the end of the

next fiscal year, total liability on the present basis will have increased to \$80,000,000.

Mr. DICKEY: The present basis—that is the new one—

Mr. MELVILLE: On the same basis.

Mr. DICKEY: If this bill goes through how much will it be?

Mr. MELVILLE: If the recommendations as contained in bill 126 go through the estimated immediate increase in annual liability is \$12,000,000, and there would be a further increase on account of awards which are made during the next fiscal year—these new awards and increases in the present awards of pension.

Mr. Ross: I am sorry the minister has left because he has left me more confused than ever as to the formula for arriving at the increases. I certainly am confused. I thought the questions were well taken. I am wondering if you, Mr. Chairman, could add anything to that, because the minister made me more confused than ever.

The CHAIRMAN: Are you suggesting that I could confuse you more?

Mr. Ross: I think this committee is entitled to have some better explanation as to what yardstick was used and how the government arrived at that increase with that basis. We should have that to begin with.

Mr. Mutch: I am one of those pessimistic people who do not think we can get a detailed explanation of how anybody arrives at any decision—and I am not going to add to your confusion—but I think frankly that we ought to be more concerned with what the result of the process was, no matter how learned or devious it was. What we are primarily concerned with at the moment is what we got and what we are going to do with it. I suggest in all deference to the committee that we should look at what we have and either approve or reject it rather than worrying and spending the time of the committee trying to guess how we go it.

Mr. Ross: That is just the point I have in mind.

The CHAIRMAN: I think I can tell the committee what the thought was in regard to this matter at the time that this amount was announced. It was last fall that the basic amount was set. There has been a raise since then, of course. At that time, as compared with the time when these pensions were finally set, which was in 1926, the cost of living had risen about 25 per cent as compared with the time when the pensions were finally set.

Mr. FULTON: 28·5 per cent, according to the Department of Labour.

The CHAIRMAN: At the time that this announcement was first made I understand it was somewhere around 25 per cent. It was felt that any raises made would remain, and it was also felt that experience had shown that there would be a recession from that high point in the cost of living. Therefore it was thought that, at least for the time being, if practically a 20 per cent increase was made in regard to children and about 16 per cent was made in regard to others and, in fact, it is more than that in regard to a dependent wife, that perhaps would take care of the ultimate level at which the cost of living would settle.

Nobody knows for sure at the present time where the cost of living will ultimately settle, but it was felt this that was at least a good interim bit of help. Then it was also felt that this committee would study the matter and would make recommendations to the government. It was known that this committee had been very careful in its work before to give the best possible advice it could to the government, and it was felt the pensions could always be raised if the cost of living went up further or stayed up, but if the cost of living slumped a great deal, of course, nothing granted would be taken away. Nobody would ever consider taking it away.

Perhaps I should not have said what I have because it is a matter of debate as to whether or not the government was right in what it did, but so many of the members seemed to wish to know the thought processes, and I do not think any harm is done in stating that was the situation. That is not to say that the recommendations of this committee will not be given very careful consideration.

Mr. CRUICKSHANK: Could we not save a lot of time if we would just move one brief motion, that it be increased by 25 per cent? It would save all this discussion.

Mr. WRIGHT: I think on the basis of your observation it is a little more hopeful that the government might do something. If that was the basis on which the original figures were considered and finally settled we know now that the cost of living has gone up another 25 per cent, and I do not think even the most optimistic of us believe it is going to drop within the very near future by 30 per cent. I feel much better about it, and I think that probably with your explanation we will be able to get some real consideration.

Mr. HERRIDGE: I should like to support the suggestion made by Mr. Cruickshank. I think we could carry on endlessly. I think the thing to do is to have a motion. I move that this committee recommend an increase of 25 per cent.

Mr. CRUICKSHANK: I second that.

Mr. FULTON: I should like to ask Brigadier Melville some more questions.

The CHAIRMAN: I think that is the point. These motions are like a jury saying, "We know he is guilty before we have heard the evidence; let us hang him." Is it not the desire of this committee to hear all the evidence before we take action in the matter?

Mr. HARRIS: I have one question to ask on a point on page 5 under the heading of medical examination, the first tabulation. Do I take it that the line "continued without change" means continued without examination?

Mr. MELVILLE: Page 5, yes, continued without change.

Mr. HARRIS: Under "medical examinations", pensions increased, pensions decreased, no change on re-examination, and then the next line, "continued without change." Does that mean continued without examination?

Mr. MELVILLE: Absolutely, without examination. The pensioners were not disturbed whatsoever. In other words, their awards were stabilized.

Mr. HARRIS: But they were not even examined?

Mr. MELVILLE: No.

Mr. HARRIS: Taking World War II figures there are approximately 40,000 who appear to have been re-examined. Is that correct, 25,000, 10,000 and 5,000 roughly?

Mr. MELVILLE: Correct.

Mr. HARRIS: Right?

Mr. MELVILLE: Yes, 40,000 is correct.

Mr. HARRIS: Then, is the work continuing into the following figure of 42,762? Are you continuing to examine or have you examined all you intend to?

Mr. MELVILLE: Not necessarily. The Pension Act requires that a pension shall be awarded in accordance with the degree of disability found on medical re-examination from time to time. The Commission has a very sincere desire and endeavour to stabilize pensions, and as a statement was made yesterday and a remark was made this morning maybe I could read exactly what the policy of the Commission is with regard to re-examination of World War I veterans. Mr. Queleh has asked the question on two occasions. It is a brief statement. The policy of the commission has been in effect without change since February, 1936 in accordance with this instruction.

Generally speaking, it is the intention of the Commission that, in the future, periodical examinations should be eliminated except in those cases where there is a substantial probability that there has been an increase in the disability, and that, therefore, the soldier might be entitled to more pension as a result of a further examination. In other words, we propose to treat our present pension list as more or less permanent in character. If a soldier complains and the medical examiner is of the opinion that there is some foundation for his complaint, it will be left entirely to the discretion of the medical examiner in the district as to whether he calls the man in for a further examination. It will be expected that, in cases of complaint which look more or less reasonable on the face of them, medical examiners will not put the soldier to the expense of a medical examination by his own doctor, and particularly would this apply to local cases where an examination would not mean any outlay for transportation or loss of time. In cases where the medical examiner thinks there is very little probability of any change, it would be in order to ask for a doctor's certificate before re-examining. What we want to accomplish is to give the soldier some assurance of the permanency of his pension. There are further instructions which elaborate that point in more detail.

Mr. WRIGHT: Yesterday you tried to hold us down to the point of the pension increase which we want to get out immediately. I think this committee should stay with that point until it is finally settled. I do not think we should deal with all these other things right now. We want to get these increases to the veterans before Easter, and if we are going to do it we have to stick to the pension item itself and not drag in all these other matters. You stopped us yesterday, and I am going to stop you today as far as I can.

Mr. ROSS: I agree with that. If we are going to continue like this I think this committee is wasting its time. The government is presumed to be anxious and serious about getting out these payments. I understood from you today they are working on it now. If they are doing that they are simply making this committee an excuse for them right now in respect to these payments.

Mr. HARRIS: Mr. Chairman—

Mr. ROSS: Just a minute. I will only be a minute. As has been said I think that is the one item we should be dealing with right now, and only that. In fact, I do not know why we have been dealing with it if it was the intention of the government not to offer anything at all. They should have left the bill to the House and gone ahead with these payments. They are just making this committee look ridiculous in the eyes of the country and the veterans as we are proceeding right now. I think we should be dealing with that part of the bill having to do with the amount of the pension and not be taking time on other matters. I would hope that you would keep us to that so that we can get it back to the House in order that payment can be made. Then we will deal with these other matters and hope to bring in a second bill.

Mr. HARRIS: I must apologize if I got off the track of the pension increase. I thought we were probably adjourned somewhat on that discussion while the minister pursued his activities with the cabinet. That is the only reason I intervened to ask about this other item. I thought we would try to clear up anything we could in the meantime pending the government's decision on the request of the committee earlier this morning.

Mr. QUELCH: On a point of order, if we are to confine our discussion to the question of whether or not the present increase is sufficient then the present witnesses are the wrong witnesses, because I asked that question and I was told Mr. Melville could not give that answer. The minute we get off the question and start to discuss whether or not the rates as between one class and another are sufficient, or whether or not pension rates can be or should be increased,

then it is out of order. I suggest, if the discussion is to centre around one thing, whether or not these increases are sufficient, that we have the wrong witnesses before us.

Mr. McKAY: May I make a suggestion? At this particular stage I feel that the committee should be discussing the cost of living and the standard of living at this day in comparison to what it was in 1926 so that we can equate these figures and find out whether we are anywhere near the truth. I make the suggestion that we call as a witness the research director.

The CHAIRMAN: I was just going to do that, if you gentlemen will permit me to do so.

Mr. FULTON: It is perhaps a question of order, but I want to ask Brigadier Melville some questions with regard to the background of the rates. The question I want to ask is when the rates were set did they, in fact, bear relationship to the general level of wages, and when the adjustment was made in 1925, and incorporated in 1926, did that, in fact, carry into relationship again the pension rates and the general level of wage rates? It is a matter of history I am asking about, not policy. Would that question be in order?

The CHAIRMAN: I think it would be. I do not want to get off the point but I think that the question you propose to ask is quite in order.

Mr. FULTON: Can you answer that?

Mr. MELVILLE: It is history you want, and I will have to give you facts in answer to the question. In 1919 the average cost of living index for that year was 126.5, and a cost of living bonus of 20 per cent was added to the basic rate of pension in payment for that year. In July of 1920 the cost-of-living index was 150.6, and the average cost-of-living index for the year 1920 was 145.4. During that year, and as the result of the recommendations of a committee and approval by parliament, the cost-of-living bonus was increased to 50 per cent. In 1921, 1922, 1923, 1924 and 1925, the cost-of-living bonus at 50 per cent was renewed each year. In 1925 the cost-of-living bonus was absorbed into the basic rate of pension and established the new basic scale of pension. The cost-of-living index for that year, 1925, was 119.8.

Hon. Mr. GREGG: I should like to report to you that on leaving the committee I found that the cabinet meeting this morning had been postponed. I shall find out when the meeting is to be held and carry forward the request that was made.

Mr. FULTON: Those figures that Brigadier Melville has given relate to the cost-of-living index. I appreciate those figures, but my question has to do with the general level of wage rates, and it is a fact they had gone up.

The CHAIRMAN: Mr. Rider will give that. He is the next witness. There is one thing I wish you would put on the record. What was the base year for those figures?

Mr. MELVILLE: 1920 as far as I understand.

Mr. FULTON: Was it not 1913?

Mr. BURNS: They are all recalculated on the base in 1935-1939.

The CHAIRMAN: All these figures just given are related to the base year 1935-1939 even though they refer to 1919, 1920, and so on?

Mr. BURNS: Yes, the index was revised. They were all recalculated. Of course, naturally in 1920 they were related to the years before the first great war.

Mr. FULTON: That is what I got from the Department of Labour, that in 1925 it was 119.8 on the base of 1935-1939 being 100. What I want to get at is the principle. I am trying to get back to my understanding of the basis on

which the pensions were awarded. The rate of disability or degree of disability was first assessed, and then the rate of compensation was determined, and the rate of compensation was the estimate of what an unskilled labourer would get in the labour market. In other words, your pension rates related to wage rates rather than cost of living rates.

The CHAIRMAN: Apparently they functioned then very much as they do now. The government decided what would be fair after considering all the evidence. The chairman of the Pension Commission says that he would not want to say that they acted any differently then than now.

Mr. FULTON: I will put it this way. The statement has been made the level of pensions must bear a relation to the fluctuation of the general rate of wages and salaries. That is the way it was put. My understanding is that was, in fact, followed when the initial rate was set in 1919, and I understand it was also followed when the adjustment was made in 1925. I am wondering whether that is a correct statement of fact, and if so, whether it is no longer followed in 1948?

Mr. HARRIS: May I ask a question because I am not clear on the point. Are you saying that the question of wages and salaries was considered ahead of the cost of living or at the same time or to the exclusion of one or the other?

Mr. FULTON: My understanding is in setting the rate on which pensions would be paid it was estimated what an unskilled labourer would get in the labour market, and that the monthly rate of compensation was set on that as the basis rather than on the basis of the cost of living. That is my understanding.

Mr. MUTCH: That is the basic rate for 100 per cent?

Mr. FULTON: Yes.

The CHAIRMAN: You do not have any personal knowledge of that, Mr. Melville? Is that what I understand you to say?

Mr. MELVILLE: No basic scale was set by the Commission. The Canadian Pension Commission was entrusted with the responsibility of administering the Act.

Mr. FULTON: I was asking as a question of fact if you know what principle was followed?

Mr. MELVILLE: I am sorry I cannot answer that question.

Mr. DICKEY: It seems quite clear that the additions which were made from 1920 on were definitely on the basis of cost of living because they were percentage increases related to the cost-of-living index and they were eventually incorporated into the basic rate. Therefore even if the original basis was remuneration for labour the basis selected in 1925 does have the element of the cost of living in it.

Mr. FULTON: I do not agree because in 1925 the cost of living was 119.8 and yet the cost-of-living bonus of 50 per cent was incorporated into the pension. The pension was raised 50 per cent whereas the cost of living was only 119.8.

The CHAIRMAN: Would it not be a good thing to hear Mr. Rider and get the facts? Then we can argue about the basis of it afterwards. General Burns, would you explain Mr. Rider's position, please?

Mr. BURNS: Mr. Rider is Research Adviser of the Department of Veterans Affairs. Hearing in previous discussions of the committee that the members were anxious to learn of the movements of the cost of living, wage rates, and also rates of employment, I asked him to prepare certain data which he will now explain to you. I regret that this graph is perhaps not as large as it should be, but we had to prepare it in some haste. The graph extends over the period from the beginning of the first great war until the present time, and the last year is on the basis of the preliminary estimates of the Bureau of Statistics.

Mr. RIDER: Gentlemen, this graph represents the three trends which I have heard discussed this morning, the cost-of-living index, the index numbers of wage rates, and the employment index. The plotted points vary slightly from the tables which are usually published. For instance, the cost-of-living index numbers usually published are on the basis 1935-1939. The wage rate index numbers published are on the base 1939, and the employment index numbers usually published are on the base 1926. In preparing this chart we have merely attempted to bring those three sets of index numbers to one base, and we have converted the usual bases so that 1939 is the base in each case. Therefore in 1939 all three index numbers equal 100. Unfortunately, being in a little rush, I could not get the employment index numbers earlier than 1921, but as you will note the general trend is similar during the two war periods.

Mr. BROOKS: Which type of line color represents employment?

Mr. RIDER: The solid line (blue) is the cost of living. Employment is the dotted line which starts (green starting) with 1921.

Mr. CROLL: Start at 1939.

Mr. RIDER: The index point of 100 is 1939. The dotted line (green) is the employment index. The broken line is the index of wage rates, and the solid line is the cost of living index. These are annual averages. At the right of the graph we put the latest figures available. In other words, in 1947 the plotted point represents the average cost of living index numbers during that calendar year. On the 1st of February, 1948, a monthly index figure which is represented by the mark as indicated on the graph is the latest information figure, the latest figures are preliminary figures in each case. The items are annual averages because, particularly with employment and wage rates, we find there are trends within the year, so we plotted the average for the year in each case.

The CHAIRMAN: Would you say, Mr. Rider, what you mean by employment? Is that the number employed, the level of employment?

Mr. RIDER: Yes, sir. The employment index is based upon reports to the Dominion Bureau of Statistics from employers. The reports state the number of employees who are engaged during a given month, and, using 1926 as a base for their calculations, the year or month upon which they are working is expressed as a percentage of that base period.

As I explained, in this chart we have plotted the base as 1939 so that the three trends can be compared. I might explain the general idea behind wage rates. Approximately 15,000 employers in Canada report to the Dominion Bureau of Statistics the number of employees they have, and the wage rates of those employees according to the occupation of the employee. The Dominion Bureau then calculates the average wage rate for each occupation within an industry. The occupations are then combined in a weighted scale according to the number of employees in each occupation so as to get a rate for an industry. The industries are then combined in a weighted scale according to the number of employees in each industry to get a national figure.

Mr. WRIGHT: Are the salaries of management included in those figures?

Mr. RIDER: No, sir, these are strictly wages, not salaries. They are hourly rate wages and do not include any salaries. The industries concerned in the wage rate index are logging, coal mining, metal mining, manufacturing, construction, water transportation, steam railways, electric railways, laundries and telephone.

Mr. BROOKS: Have you the average increase for all of those from 1939 up to the end of 1947; that is, the average wage increase in all of the industries which you have mentioned? We want to apply this increase to the pension; you see the application?

Mr. SKEY: What is the figure at the end of 1947?

Mr. RIDER: The figure at the end of 1947 for the wage rate? The index is an estimated figure of 170. The last figure published for wage rates by the Dominion Bureau was for 1946 and it was 155·2. To try to get a comparable figure, I took the liberty of studying the various reports issued in the Labour Gazette on hourly wage rates. I found approximately a 10 per cent increase in 1947 and I therefore took the liberty of applying that 10 per cent to the last known figure to give an indicator of where we could expect the latest index number to fall.

The CHAIRMAN: That is the line represented by dashes?

Mr. RIDER: That is right, sir. In other words, there has been no figure published in 1947 for wage rates. It is an estimate at the best.

Mr. SKEY: That estimate is 170?

Mr. RIDER: That is right, sir.

Mr. FULTON: Would you give us the difference between 1925 and 1947 on that estimate?

Mr. RIDER: In number, sir?

Mr. FULTON: The general index on wages.

Mr. RIDER: In 1925, sir, the index of employment—

Mr. FULTON: No, wage rates?

Mr. RIDER: It was 93·8 and in 1947 it is estimated at 170.

Mr. FULTON: That is an increase of 76·2?

Mr. RIDER: Yes, sir.

Mr. FULTON: That would be a percentage, would it not? If your base is 100, is it correct to say that the increase is 76·2?

Mr. RIDER: It would not be an exact percentage, but it would be very close. There would be a slight variation because you would be working the index on a base of 93·8 instead of 100, so there would be a slight variation from the 100.

Mr. FULTON: Do you have an index number for wage rates for unskilled labour?

Mr. RIDER: Not as such, sir. This is for all labour, skilled and unskilled. I have not anything readily available for unskilled only.

Mr. FULTON: My understanding is that the Department of Labour keeps a separate index for factory labour and what they call unskilled labour and that the increase in unskilled labour has been even higher, on the average, than the increase in the factory or skilled labour. Would you have information or figures to verify that?

Mr. RIDER: So far as that information is available, sir, I will try and get that information and send it to you.

The CHAIRMAN: Would you explain to the committee the basis for your cost of living figures? In other words, what was taken into consideration in estimating the cost of living?

Mr. RIDER: Well, sir, that is a Dominion Bureau figure. They take the prices, I believe, of all commodities normally used by the average family, such as rent—

Mr. MUTCH: Does that include rent?

Mr. RIDER: Yes, it does.

The CHAIRMAN: Does that include the change in the type of living? I mean, does this basic index reflect a change in the things on which people spend their money? For example, back in 1919, people would not buy a radio. However, today, a radio is almost a necessity. Now, does the basic cost of living index reflect that change in the basic needs of the people?

Mr. RIDER: I believe the Dominion Bureau of Statistics does change the base.

The CHAIRMAN: You are not sure about that?

Mr. RIDER: No.

Mr. BROOKS: What was the increase in the cost of living from 1939 to 1947?

Mr. RIDER: 1939 would be 100. For 1947, the latest figure we have is 150.1 which, if we bring it to the 1939 base is 147.9, and that would be an increase of approximately 48 per cent.

Mr. FULTON: Could you equate that to 1925 and give us the same percentage for the increase over 1925?

Mr. RIDER: I will work that out for you, sir.

Mr. BURNS: Mr. Chairman, there is one point to which attention might be drawn. You will see that the cost of living rose to a peak about two years after the First Great War, followed somewhat by wages. Wages, in this instance, followed the cost of living. Then, both dropped and went along rather level for a while.

In the Second Great War, employment, for which we have not got the record in the First Great War, rose rapidly. Wages rose but the cost of living also rose until the stabilization measures were applied, when they came rather level. However, this was less than the rise in wages. We are now in this position, at the right of the graph, approximately two years after the war. The question, of course, for your judgment is, "Are we at the peak? Is there likely to be a repetition after what happened after the First Great War, a slight drop and a levelling off?"

Hon. Mr. GREGG: I think I might give some answer to the question Mr. Quelch raised. These figures which Mr. Rider is now presenting were factors in considering the recent increase. The question for consideration is whether the increase now should be related directly to the top level and, if those lines for the cost of living and employment should go down, whether the pension rate should follow them down.

At the present time, as indicated by the figures the department has available, it happens that employment for pensioners, casual and permanent, is higher than it was in the years gone by. Your guess is as good as mine as to what it will be four or five years hence. At any rate, it was felt that this increase should not fluctuate now, when it is true that the cost of living is high and when it is also true that employment is more buoyant. It was felt that this increase would help the situation now and would be of very great help if these index numbers should go down and it should become very difficult for the pensioner to get a job anywhere at any time. I should like to point that out to the committee.

The CHAIRMAN: Could you get this chart reproduced so we could put it into the record?

Mr. RIDER: Yes.

The CHAIRMAN: Just to get it on the record in writing, I understand these lines, at the right are estimates for March?

Mr. RIDER: No, that is for the 1st of February. The cost of living index is an actual figure and has been published.

The CHAIRMAN: So that in February the cost of living has risen, as compared with 1939, to what percentage?

Mr. RIDER: 48 per cent.

The CHAIRMAN: And wage rates have risen?

Mr. RIDER: That is an estimate, 70 per cent.

The CHAIRMAN: Employment has risen?

Mr. RIDER: An estimate of 73.3 per cent.

Mr. CRUICKSHANK: Could we have a photostatic copy of that?

Mr. BROOKS: We have been going back to 1920 for our basic rates of pension. Now, in 1939, there was a certain basic pension rate of \$75. It might have been set in 1921, but I think we should forget all about the twenties and ask ourselves whether the \$75, as a basic rate of pension, was too high in 1939. If it was not too high in 1939, then I think we should take into consideration the amount the cost of living rose, the wages we find in every other walk of life and so on. I think that is the only fair way to consider the basic rate of pension for these soldiers. We should not continually go back to 1929, but should consider from 1939. If we do that, I think we will come to the conclusion that a 16 per cent increase in pensions at this time is certainly not adequate. We should try to base it on some more reasonable foundation.

The CHAIRMAN: Are there any more questions about that?

Mr. CRUICKSHANK: Could we have a photostatic copy of that chart?

The CHAIRMAN: Yes, we will have it put in the record.

Mr. BROOKS: I should like to ask whether the department considered the rate in 1939 too high or was it a fair rate at that time?

Mr. BURNS: Mr. Chairman, that is a matter of government policy. I was not in the department at that time.

The CHAIRMAN: In addition to this going into the record, do you desire to have a photostatic copy as well?

Mr. CRUICKSHANK: Yes.

The CHAIRMAN: Then, we will have photostatic copies of this chart for the members of the committee as well as having it go into the record.

Mr. BENTLEY: I understood the minister to say that all these factors were taken into consideration and the total amount to be added to the pension was arrived at, am I right?

Hon. Mr. GREGG: I can only speak from the 19th of January onward, and, of course, since the 19th of January they have been. Mr. Rider provided these figures for us, on a small scale graph, as a working basis.

Mr. BENTLEY: Now, that chart covers the rise in the cost of living, wages and so on; but yesterday in some of the briefs it was indicated that some of these pensioners, particularly those with over a 50 per cent disability, even though they would qualify for the helplessness allowance, still have expenses which the ordinary individual who is fit would not have, in connection with getting to and from work or to and from entertainment and so on. Were those things given consideration in estimating the amount by which the pension should be increased? If they were not, they should have been because those are very definite and concrete items which enter into the cost of living for a pensioner if he is going to move out of his home at all.

The CHAIRMAN: I wonder if we could not, instead of arguing this case, try to get out the facts.

Mr. BENTLEY: That is one of the facts I should like to know.

Mr. WRIGHT: I should like to summarize some of the facts which have come out of this evidence. Our national income has gone up. Mr. Chairman, you need not turn away with that smile of yours.

The CHAIRMAN: I am not smiling at all. There are many people who desire to argue this case, but who are exercising restraint in order to get out the facts. I am only trying to carry out the wishes of the committee that we should get all the facts. I am not smiling at anybody. I suggest we confine ourselves to examining this witness in order to get out all the facts. When we get through with him, we can call another witness as to employment and then we can argue afterwards.

An Hon. MEMBER: What other facts are to be brought out?

The CHAIRMAN: If we are through with this witness, then I suggest we hear the facts with regard to pensioners. If I permit one member to argue the case, then I have to permit another.

Mr. WRIGHT: If you have further witnesses to call, I agree to deferring my argument.

The CHAIRMAN: I have already said we have.

Mr. HARRIS: I have been intrigued by Mr. Fulton's reference to the 1925 basis on which this thing was established. I think if we want to get the facts as to how the pension rates worked out from then until the outbreak of this war we ought to have something to indicate how, between 1925 and 1939, the pension rate had relation to both the wage index and the cost of living index; that is, the average change and gain or loss with regard to that index. Do I make myself clear?

Mr. WRIGHT: I suggest we hear the witness. If one person makes an argument, I see no reason why I should reserve my right to argument.

Mr. HARRIS: I was asking for the figures in that fourteen-year period.

The CHAIRMAN: Are you wishing to have the chart translated in order to get the figures on the record? Was that your idea?

Mr. HARRIS: Yes.

Mr. RIDER: As I understand it, you want another line representing the level of pensions. All I can say, sir, is that this line represents 100. It is an index figure and not monthly amounts.

Mr. HARRIS: Perhaps I have not made myself clear. The pension was fixed in 1925. The cost of living index went up slightly in 1926 and wage rates also went up slightly in 1926. However, the cost of living started to level out but wage rates continued up almost to 100 and then fell. I should like to know the average for the fourteen years to see whether the pension had an even relationship to those two indexes during all that time?

The CHAIRMAN: Do you understand the question, General Burns? I do not understand what you are trying to get at.

Mr. BROOKS: The question is something along the lines of the one I was asking, whether the pension was a fair rate over those years from 1929 to 1939?

Mr. Mutch: May I put your question in a different way, if I understand it? I do not understand what either of these gentlemen is trying to get at unless it be this; we know the pension has been constant. Stating it negatively, you desire to see what the variation was between those three and the fixed line of pension. The pension line being 100, then how far, in that specific time, do these lines vary from it?

The CHAIRMAN: I understand that the pension line which is the black line would start at 1925 on the 100 index line. It runs right across the graph, right up to the present.

Mr. Mutch: We would like to know whether there is any point where the pension line looked as though it was too high in relation to these others.

The CHAIRMAN: There it is, the pension line in 1926, and it goes right across.

Mr. BENTLEY: Put your pencil on the spot where it would be now if we raised it 25 per cent?

The CHAIRMAN: As I understand it, the 125 index line would be the 25 per cent level.

Mr. BROOKS: Where would $33\frac{1}{3}$ per cent bring it?

The CHAIRMAN: There is the 25 per cent level.

Mr. BENTLEY: Then, mark the $33\frac{1}{3}$ per cent above it.

Mr. CRUICKSHANK: Mark the 16 per cent level.

The CHAIRMAN: There is the 16½ per cent. The actual raise, if you take into consideration children, is approximately 20 per cent and if you take into consideration a wife, it is more. Therefore, it is something more than 16 per cent. The government bill would put it somewhere between the index lines 116 and 125. The Legion suggestion would bring it up to 125, and, 33½ per cent would bring it up to 133½.

Mr. CRUICKSHANK: With children, it would be 17½ per cent. Put it up to the 17½ per cent.

The CHAIRMAN: I do not want to mark up the chart too much.

Mr. CRUICKSHANK: That is what it is for.

Mr. PEARKES: All joking aside, we desire to have that on the chart.

The CHAIRMAN: If the suggestions of the government were translated into legislation, have you figured out what over-all percentage rise in pensions that would mean?

Mr. RIDER: No, sir. As the previous pension was fixed, in 1925, I am wondering if, instead of taking 100 as the pension line—let me mark this thing up—if instead of taking the 100 index line as the pension line—we said that the pension was last fixed in 1925—then, possibly, the pension line with respect to the cost of living index should be a line set on a place where the cost of living index was in 1925. Then, the pension line should go along the 118 index line.

Mr. FULTON: It should be on the wage rate in 1925.

Mr. HARRIS: My question was with respect to both of them.

The CHAIRMAN: If you run it on the 118 index line it would not be correct because, as I understand it, 1939 is the basic period so that is where you would have to start your pension.

Mr. RIDER: The pension was set in 1925, sir.

The CHAIRMAN: You would have to relate it to this chart. The index is 100 so far as pensions are concerned. If you start with 100 and go back to the base period, to 1939, there is the pension.

Mr. MUTCH: No, no.

Mr. CRUICKSHANK: That is the war veterans' allowance back there.

The CHAIRMAN: As I understand it, everything must be brought to 100 as the base period. So, if you put the pension there in 1939, is there any change in pension back here in 1926? It is the same thing as it is in 1939.

Mr. QUELCH: The pensions were not adjusted.

Mr. SKEY: Mr. Rider has, in that account, related the pension line of 1925 to the cost of living. However, if it were related to the wage rates of that date, it would be down underneath, slightly underneath the base line. It will be worse than it is.

Mr. HARRIS: I think Mr. Rider understands what I tried to get at, and I appreciate that he followed it through.

Mr. BENTLEY: The only part of that chart that is of interest to this committee is where all these lines meet.

The CHAIRMAN: I would like to understand this thing. If you figure that 1939 is the base period, you would have to start your pension here too?

Mr. RIDER: As an index only.

The CHAIRMAN: You have your pension at 100 in 1939.

Mr. QUELCH: Provided you are satisfied that the level of pension at that time is right.

The CHAIRMAN: If that is going to be the base period to compare everything—if you showed your pensions are there at 1939—my suggestion was that they

are in the same place right back to 1926. They must be if this chart is correct and you relate everything to 1939. They must all meet at 1939.

Mr. BELZILE: You are trying to compare dollars with index rates; you cannot compare horses with cows.

The CHAIRMAN: I suggest, gentlemen, that we ask the expert to draw a comparative index of the pension line. Now, there seems to be a difference of opinion about that. It seems to me that if you are going to compare everything with a spot in 1939 you have to have them all at the same place in 1939 and show where they go from there. It seems to me that is clear. If the expert says differently I suggest he revise the chart and present it to us.

Mr. SKEY: In 1939 was the dollar value of the prevailing wage rates \$75 a month? It wasn't; so you have to compare it with the dollar value of the prevailing wage rates in 1939. It started away off below that.

The CHAIRMAN: The purpose of starting an index figure and saying that it is a hundred in all cases is to compare afterwards with that one base. Now, my understanding of all index figures is you take everything at a hundred at that base period and trace it where it went after or before that. You would have to start there regardless of where you went afterward. It seems to me you would have to start your basic scale of pensions at the same point as you start everything else; where they go from that one point which is your base period would be a matter for an expert to say. It seems to me if you are going to compare it at '39—there was the pension at 1939 at the base period—and if you want to see whether they go up or down you plot it from there.

Mr. FULTON: What you are doing is expressing those other three lines in relation to pensions. If you want to express pensions in the terms of the cost of living you have to have your cost of living as a constant norm. What we are doing is looking at the other factors in relation to the cost of living.

The CHAIRMAN: I suggest, Mr. Rider, that you put in a line showing pensions and that we hear Major Dunlop in regard to employment. We will not take very long to get this before the committee.

Mr. BLAIR: Do you think we are wasting time? That does not show precipitation or moisture or prevailing wind. We had this settled yesterday. It was impressed on every member of this committee that these pensions are not adequate. It rests with this committee if the government proposals are what the members of this committee think. In view of representations made we should be able to make a decision now without going through all this. To me this is absolutely nonsensical.

The CHAIRMAN: It is a matter for the committee to decide. The steering committee recommended that we hear these witnesses. I do not like the suggestion made continually that we are wasting time in trying to get facts before the committee when I am only trying to carry out the recommendations of the steering committee which were adopted by the committee as a whole. I do not think it is fair to me or to the steering committee or to anybody else to make such statements. It was definitely decided that we would hear these witnesses. If the committee has changed its mind and we do not want to hear these witnesses then, of course, that is a matter for the committee to decide. I have been trying to carry out the expressed decision of the steering committee.

Mr. ROSS: When was the last meeting of the steering committee?

The CHAIRMAN: It was held on Friday. The report was laid before this committee and accepted that we would hear these witnesses today.

Mr. LENNARD: For the last half hour we have heard practically no one but yourself.

The CHAIRMAN: Now, a joke is a joke, surely.

Mr. BAKER: I think I have learned quite a bit this morning that has been valuable to me, particularly with regard to this chart. I have something before me whether others have or not. Let us hear all the facts before we deal with the dollars or changing in the base of pension.

The CHAIRMAN: Is it the desire of the committee to hear Major Dunlop?

Mr. DUNLOP: I will ask General Burns to read the statement.

Mr. BURNS: Several times during the presentation of briefs by the veterans' bodies yesterday the importance of employment to the disabled veteran was mentioned, and this presentation today is for the purpose of placing the facts before you of the status of employment of the disabled veterans in various degrees of disablement and what the situation is generally as regards finding employment for them. Major Dunlop is Director of Casualty Rehabilitation in the Department; and the function of this section is to help the disabled veteran find employment, to assist him in training if necessary. We regard that as an extremely important service, to the pensioner, which has been going on since the middle of the second great war, and which I think will continue indefinitely. I will read this statement which has been prepared by Major Dunlop, following which he will be prepared to answer any questions you may ask.

DEPARTMENT OF VETERANS AFFAIRS

REPORT ON THE VOCATIONAL REHABILITATION OF DISABLED VETERANS AS AT JANUARY 31, 1948

The Department of Veterans Affairs, through its Casualty Rehabilitation Division, maintains a register of seriously disabled veterans. While this register includes only a portion of those veterans of World War 2 awarded a disability pension, it is composed of all those whose disabilities are of so serious a nature as to involve extensive re-adjustment in the veteran's occupational life. By the 31st January, 1948, approximately two-thirds of the 29,534 veterans so registered had become re-established in employment.

Among the most common of veterans' disabilities, and the number in each category are:—

Amputation.	2,045
Other serious disabilities of the muscular and skeletal systems. .	10,021
Partial and total losses of hearing and sight.	1,769
Injuries to the central nervous system involving paralysis of one, two or more limbs or organs; epilepsy and other conditions.	981
Diseases of the heart and vascular system.	2,292
Tuberculosis and other respiratory disabilities.	8,317
Mental and emotional disabilities.	731
Others.	3,378

These men and women can be found successfully performing a wide variety of jobs such as welders and watchmakers, accountants and tailors, machinists and farmers, carpenters and locksmiths, bulldozer operators and log scalers, fishermen and photographers—to give but an impression of their occupational versatility. Employers report that, on the whole, disabled veterans are safe, efficient and reliable workers. Most employers have demonstrated willingness to accept disabled veterans in suitable employment in accordance with their merits and remaining abilities. It is worth noting that the government of Canada has also proven itself a sympathetic employer of the disabled, and in this connection the preference granted under section 29 of the Civil Service Act has been important.

All branches and divisions of the Department of Veterans Affairs contribute in varying degree to the provision of rehabilitation services necessary in the case of disabled veterans, as do other government departments, notably the

Department of Labour. Among the most important of such services are active remedial medical treatment and medical rehabilitation; provision of artificial appliances such as braces, limbs and hearing aids; maintenance allowances; vocational guidance and social adjustment services; university and vocational training; employment placement; land settlements; and medical, social and vocational after care.

In many instances, the close co-operation of community agencies is important. The department maintains close working relationships with organizations such as the Canadian National Institute for the Blind, the War Amputations of Canada, the Canadian Paraplegic Association, and the National Society for the Deaf and Hard of Hearing.

Progress made during the past year is illustrated by the following table:

	31st May 1947*	31st January 1948
Employed.	12,701	19,607
Unemployed.	1,987	1,694
Receiving treatment, training or other services.	10,680	7,080
Rehabilitation not feasible.	180	690
Status unknown	2,914	463
Total.	28,462	29,534

*First month for which comparable figures available.

A high proportion of those cases which usually react to short term treatment are successfully re-established. Thus, over 80% of 2,045 amputees are employed. On the other hand, less than half of the 8,317 veterans suffering from tuberculosis and other respiratory disabilities are employed, the majority of the remainder being still under treatment or convalescent.

It is also interesting to study the rehabilitation distribution of disabled veterans according to the percentage of pension awarded. The attached table contains the result of a survey made as of November 15, 1947.

The year 1947 saw the activities of the department in connection with the rehabilitation of disabled veterans at its most intensive level thus far. While satisfactory progress has been made, the following facts cannot be overlooked—over 7,000 disabled veterans are still receiving services such as treatment and training from the department, and a further 1,694 are actually unemployed. In addition, between 4,000 and 5,000 new cases are expected to arise within the twelve month. Thus, no diminution in the intensity of these services may be anticipated.

("Rehabilitation distribution of seriously disabled veterans according to percentage of entire disability as of 15th November, 1947," appears as an appendix.)

Mr. CROLL: I think on behalf of the committee we should say how glad we are to have this statement. It is an amazing statement and a compliment to Mr. Dunlop.

Mr. PEARKES: There is one question I should like to ask of Mr. Dunlop. This statement deals only with veterans of World War II. Could we have a similar statement with regard to veterans of World War I? Perhaps we should hear the evidence of Colonel Philpott, who is special adviser to the deputy minister on the employment of older veterans.

The CHAIRMAN: Mr. Dunlop, you heard the question.

Mr. DUNLOP: General Pearkes, that actually includes a number—the exact figures I have not got—of veterans of both wars but does not include the veterans of World War I only.

Mr. DICKEY: I wonder if Mr. Dunlop would tell us what the heading "employed" means? Does that mean permanent employment as far as we can reasonably judge or will it include very irregular employment?

Mr. DUNLOP: That figure of 19,000 employed in the first table, and the same in the other table, means the actual fact of employment. As of the 31st of January, 11,000 of those cases had been, as we considered, closed, which means that not only was the employment in our opinion suitable but the veteran had a reasonable hope of retaining that employment. Of the other 80,000 roughly—some may be in actual fact temporary and some may be in actual fact permanent; but our staff has not had the time to check the suitability of those other 8,000 nor have the men been sufficiently long employed for our staff to be able to decide whether or not those veterans will have a reasonable prospect of retaining their employment at all times.

Mr. DICKEY: What has been the department's experience with respect to turn-over in employment of these serious casualties? Have they adjusted themselves well? Do you find that their record for retaining employment is good?

Mr. DUNLOP: Of the group I refer to—the 11,000—we consider them definitely rehabilitated. The turn-over has been relatively low. With the others the turn-over may be relatively high during the first year or so of adjustment. I do not think there is any rule that can be brought out from experience; it varies so much from case to case.

Mr. DICKEY: Now, are those veterans, generally speaking, employed at the prevailing rates of wages and compensation for similar duties performed by other people?

Mr. DUNLOP: Generally speaking that is so; and not only is our department, of course, interested that it be so but also the labour unions would not tolerate any other situation in a unionized situation.

Mr. FULTON: The opportunity of training for employment has no bearing on the amount of pension which a man receives, has it?

Mr. DUNLOP: I am not sure that I understand the question.

Mr. FULTON: His potentiality to receive employment does not, so far as you know, have any bearing on the amount of pension which he is paid?

Mr. DUNLOP: Section 2(g) of the Pension Act states that the pension is paid for the loss or lessening of the capacity to will or do any normal mental or physical act. The loss of capacity to perform physical acts may or may not affect earnings.

Mr. FULTON: You find there are some even with 100 per cent pension with helplessness allowances—you have 269, of whom over half are employed. What sort of employment can they find? Give us some types.

Mr. DUNLOP: The largest of that group of 75 to 100 per cent with helplessness allowance—the largest single group—are the paraplegics whom you met yesterday. You will note the figure 269. According to the footnote that does not include war blinded. In the instance of a paraplegic who has full remaining use of his hands, full remaining use of his head, his eyes and his ears, he can do any job which does not require essential local mobility greater than that which can be achieved in a wheel-chair. Also, provided that his general health is sufficient to enable him to work eight hours a day. For example, paraplegics could be members of parliament.

Mr. MUTCH: It would be quite a strain on his nerves.

Mr. DUNLOP: President Roosevelt was one.

Mr. CRUICKSHANK: Is there any provision to get him to work? Does the employer make any provision to get him to work?

Mr. DUNLOP: No, sir.

Mr. CRUICKSHANK: That all has to come out of the helplessness allowance?

Mr. DUNLOP: Yes.

Mr. CRUICKSHANK: We will fix that.

Mr. MUTCH: There are a number to my knowledge who are employed as watchmakers, switchboard operators and shoemakers.

Mr. CRUICKSHANK: They have to get there to work.

The CHAIRMAN: Are there any other questions you want to ask of Major Dunlop?

Mr. DICKEY: I notice in each class there is a very small percentage of those whose rehabilitation is not feasible. Presumably they are not receiving treatment or anything else. Is there any particular provision made for the small number of people who come under that classification?

Mr. DUNLOP: There are two things that should be noted about those whose rehabilitation is not feasible. The first is that as time goes on that group will increase. There is bound to be a percentage of persons whose rehabilitation is not feasible among the group still receiving treatment or training, or among the group that is shown as unemployed, and also the group that is unknown. That will increase. They are not considered as not feasible of rehabilitation until every effort at the command of the department has been made. You will also notice that the proportion rises generally speaking in accordance with the seriousness of the disability as assessed by the Canadian Pension Commission. No special provisions are made for that group in the legislative program beyond firstly the Canadian Pension Act, and secondly the War Veterans' Allowance Act.

Mr. EMMERSON: What intrigues me is that last category, status unknown. There is a certain percentage whose status is not known, 3.41 per cent, 4.51 per cent in various columns. How could it be unknown? Are those men not located?

Mr. DUNLOP: The 463 now shown in the category status unknown in the first table represent almost truly that floating population whom, I regret to say, we cannot find. We have their names, but by the time you locate them in one district they have gone to another. That was not true on May 31 when there were over 2,000. That reflected those with whom we had never been in touch although we knew their names from the rolls of the Canadian Pension Commission. We had not been in touch with them because his program did not get staffed until well on into 1945, and I would say the majority of that group had been discharged from our hospitals prior to 1945.

Mr. SKEY: Major Dunlop, from your report—

The CHAIRMAN: Gentlemen, I wonder if you are going to be any considerable length of time with Major Dunlop? Would you like to continue with his examination with the idea of completing it now or continuing it at another meeting?

Mr. BROOKS: I was going to suggest that I think there is quite a lot in what Dr. Blair said a few moments ago. A lot of this information will be good, of course, if we are going to bring in another bill, but if we are going to get this bill through and get the cheques out it has not a great deal of bearing on it. I would suggest that we should decide now whether at our meeting this afternoon we are going to take up the matter of the amendment that Mr. Cruickshank said he was going to move. I may say I am going to move an amendment to his amendment that it be increased to 33½ per cent. I think we should decide now whether or not we will bring those matters up this afternoon.

Mr. SKEY: I have a very brief question. I do not think it will take a minute. I was going to refer to Major Dunlop's report, and the fact that in it it seems that the department has had a very happy experience with employers,

and ask him if he feels there is any necessity for a provision such as they have in the United Kingdom that employers can be directed to take up to 2 per cent war disabled.

Mr. DUNLOP: You ask a very difficult question, a question of government policy.

Mr. SKEY: Your experience has been happy?

Mr. DUNLOP: It has been. I think there might be times in the future, recession and depression, where such legislation might be valuable, because it was the experience in the last depression that an employer faced with the necessity of laying off one of two men of equal skill, one of whom was in receipt of a war disability pension paid by the Dominion Government, the other of whom had no such solid basis of income, generally let out the man with the pension.

The CHAIRMAN: Thank you very much, Major Dunlop. I would ask the steering committee to meet at once. I wonder if the minister would stay so that we can decide whether we will meet this afternoon.

The meeting adjourned.

APPENDIX A

1 March, 1948.

STATEMENTS REGARDING AWARDS, LIABILITIES AND DECISIONS RENDERED BY
THE CANADIAN PENSION COMMISSION

The following statements are based on the records available as at the 31st December, 1947.

	Annual Liability
Pension Act	
World War I	
Disability Pensioners	\$25,605,095
Dependent Pensioners	10,589,147
Total	\$36,194,242
World War I, Supplementary Awards, Secs. 45, S.A. War, etc. 47, 48, 49	
Disability Pensioners	\$ 51,024
Dependent Pensioners	41,255
Total	\$ 92,279
Total World War I	\$36,286,521
World War II	
Disability Pensioners	\$24,577,036
Dependent Pensioners	11,370,071
Total	\$35,947,107
World War II, Supplementary Awards, Sec. 46 and 46A	
Disability Pensioners	\$ 26,718
Dependent Pensioners	24,372
Total	\$ 51,090
Civilian War Pensions and Allowances Act	
Disability Pensioners	\$ 38,697
Dependent Pensioners	235,467
Total	\$ 274,164
Special Operators Act	
Disability Pensioners	\$ 405
Dependent Pensioners	1,051
Total	\$ 1,456
P.C. 45/8848 Civilian Employees	
Disability Pensioners	
Dependent Pensioners	\$ 5,552
Total World War II	\$36,279,369
Annual Liability, World Wars I and II	\$72,565,890

SCHEDULE A.

TOTAL NUMBER OF PERSONS IN RECEIPT OF BENEFITS UNDER THE PENSION ACT AT 31st DECEMBER, 1947

DISABILITY		War I	War II	Total
Disability Pensioners (male)		69,736	82,995	152,731
Additional pension is paid on behalf of the following dependents of these pensioners:				
Wives		49,714	51,268	100,982
Children		24,049	64,460	88,509
Mothers		333	1,495	1,828
Fathers		31	59	90
Parents (228)		118	338	456
Housekeepers Sec. 22 (g); Sec. 66 (b)		250	45	295
Disability Pensioners (female members, C.W.A.C., etc.) .....		..	1,235	1,235
Total		144,231	201,895	346,126
Supplementary Awards—Disability				
Sec. 45 British		202	..	..
Sec. 45 French		1	..	..
Sec. 45 Belgian		2	..	..
Sec. 46 and 46A .....		..	87	..
Sec. 47 South African War		31	..	..
Sec. 48 1885 Rebellion		2	..	..
Sec. 49 General		18	..	..
Total		256	87	343
Special Operators Act .....		..	5	5
Total Number of Beneficiaries—Disability....				346,474

SCHEDULE B.

TOTAL NUMBER OF PERSONS IN RECEIPT OF BENEFITS UNDER THE PENSION ACT AT 31st DECEMBER, 1947.

	DEATH		WAR II	
	Main Pensioner	Total Beneficiaries	Main Pensioner	Total Beneficiaries
Dependents				
Widows	12,203	13,640	8,362	17,052
Children	155	205	2,211	3,407
Mothers	3,038	3,039	4,143	4,206
Fathers	543	544	394	394
Parents	386	772	1,821	3,654
Orphans	111	162	109	173
Brothers and Sisters	114	124	49	55
Others	—	—	1	3
	16,550	18,486	17,090	28,944
			16,550	
Total main dependent pensioners ..			33,640	
				18,486
Total beneficiaries				47,430
Dependent Pensioners (female members, C.W.A.C. etc.) ..			5	
Supplementary Awards—Death				
Section 45 British	63			
Section 45 French	30			
Section 45 Belgian	1			
Section 45 Italian	2			
Section 46 and 46A			92	
Section 47 S. Africa	2			
Section 48 1885 Rebellion	1			
Section 49 Gen. Sup.	3			
	102		97	199
Special Operators Act			2	
P.C. 45/8848 Civilian Employees			6	8
Total number of Beneficiaries—Death				47,637

DECISIONS RENDERED BY THE CANADIAN PENSION COMMISSION ON
ENTITLEMENT FOR INJURY AND DISEASE OR DEATH

WORLD WAR II—PERIOD FROM 1ST SEPTEMBER, 1939, TO 31ST DECEMBER, 1947

Theatre of Service—Outside Canada

	Granted	Not Granted	Total
Administrative Decisions			
Injury or disease	162	59	221
Death	175	57	232
Total	337	116	453
First Hearing or Initial Decision			
Injury or disease	81,818	20,073	101,891
Death	711	508	1,219
Total	82,529	20,581	103,110
2nd Hearing or Renewal Decisions			
Injury or disease	6,448	5,525	11,973
Death	13	56	69
Total	6,461	5,581	12,042
Appeal Board Decisions			
Injury or disease	826	1,093	1,919
Death	16	19	35
Total	842	1,112	1,954
Summary of Decisions			
Injury or disease	89,254	26,750	116,004
Death	915	640	1,555
Total	90,169	27,390	117,559
Percentage	76.70	23.80	

Theatre of Service—Canada and Outside Canada

	Granted	Not Granted	Total
Administrative Decisions			
Injury or disease	286	141	427
Death	639	735	1,374
Total	925	876	1,801
First Hearing or Initial Decisions			
Injury or disease	96,905	115,362	212,267
Death	1,789	2,173	3,962
Total	98,694	117,535	216,229
2nd Hearing or Renewal Decisions			
Injury or disease	25,147	15,420	40,567
Death	1,076	403	1,479
Total	26,223	15,823	42,046
Appeal Board Decision			
Injury or disease	1,836	4,213	6,049
Death	70	174	244
Total	1,906	4,387	6,293
Summary of Decisions			
Injury or disease	124,174	135,136	259,310
Death	3,574	3,485	7,059
Total	127,748	138,621	266,369
Percentage	47.95	52.05	

CIVILIAN WAR PENSIONS AND ALLOWANCES ACT WORLD WAR II, AS AT
31st DECEMBER, 1947

		Disability		Dependent	
		Number	Liability	Number	Liability
Part	I Canadian Merchant Seamen.....	23	\$10,390	333	\$190,490
Part	I Salt Water Fishermen.....	1	325	21	15,204
Part	I Canadian Merchant Seamen—Supple- mentary	15	5,446	55	19,017
Part	I Salt Water Fishermen—Supplementary.	—	—	—	—
Part	II Auxiliary Services	48	13,179	4	2,968
Part	III Corps of Civilian Fire Fighters for Ser- vice in the United Kingdom.....	33	5,477	4	3,240
Part	V R.C.M.P. Special Constables.....	8	895	—	—
Part	VI Air Raid Precaution Workers.....	5	1,368	1	720
Part	VII Injuries during Remedial Treatment....	2	528	—	—
Part	VIII Voluntary Aid Detachment.....	2	390	—	—
Part	IX Overseas Welfare Workers.....	2	729	—	—
Part	X Civilian Crew Air Transport Command..	—	—	7	2,220
Part	X Civilian Crew Air Transport Command —Supplementary	—	—	7	1,608
TOTAL		139	\$38,697	432	\$235,467

MEDICAL EXAMINATIONS OF DISABILITY PENSIONERS
PENSION ACT

The following is the result of the first examinations, re-examinations, examinations on discharge from treatment and re-examinations on complaint.

Period—1st January, 1947, to 31st December, 1947.

NOTE: These examinations were carried out in Canada, U.S.A., Great Britain, etc.

	World War I	World War II
Pensions increased	2,274	4,750
Pensions decreased	147	10,061
No change on re-examination	2,913	25,422
Continued without change	64,402	42,762
Pensions in force as at 31.12.47.....	69,736	82,995

During the same period of 12 months the following awards were made:

	World War I	World War II
New awards of pension	191	25,145
Reinstated on pension	88	138
Total new awards for year ending 31.12.47....	247	25,283

SCHEDULE OF MONTHLY PENSION RATES
(For Class I or 100 Per Cent Pensioner)

	DISABILITY PENSIONERS			WIDOW PENSIONER		
	From Present Rate	To New Rate	Per Cent Increase	From Present Rate	To New Rate	Per Cent Increase
Pensioner—				Widow—		
Below Captain	75.00	87.00	16 %	60.00	70.00	16.67%
Captain	83.30	87.00	4.4 %	66.67	70.00	5 %
Major	105.00			84.00		
Lt. Col	130.00	No Change		104.00	No Change	
Colonel	157.50			126.00		
Brigadier	225.00			180.00		
All Ranks—						
Wife's pension	25.00	30.00	20 %		N.A.	
First child	15.00	18.00	20 %	15.00	18.00	20 %
Second child	12.00	14.00	16.67%	12.00	14.00	16.67%
Additional children	10.00	12.00	20 %	10.00	12.00	20 %
Orphaned Child or Orphan Brother or Sister						
All Ranks—						
First child	30.00	36.00	20 %			
Second child	24.00	28.00	16.67%			
Each subsequent child ..	20.00	24.00	20 %			
(Classes below Class I (100 Per Cent) are increased proportionately.)						
Disabilities below 5 Per cent All Ranks final payment not exceeding formerly \$100.00 now \$115.00.						
The maximum rate for a dependent parent is increased as for widows.						

EXAMPLES OF PROPOSED PENSION INCREASES

	Present Scale	New Scale
100% Pensioner (Lieut. or below).....	\$75.00	\$87.00
Wife	25.00	30.00
First Child	15.00	18.00
Second Child	12.00	14.00
Third Child	10.00	12.00
	\$137.00	\$161.00
Widow (Lieut. or below)	60.00	70.00
First Child	15.00	18.00
Second Child	12.00	14.00
Third Child	10.00	12.00
	\$97.00	\$114.00
50% Pensioner (Lieut. or below) with wife and 3 children		\$80.50
10% Pensioner (Lieut. and below) with wife and 3 children.....		\$16.10

MONTHLY RATES OF PENSION

OLD AND NEW AND AMOUNT OF ADJUSTMENT

Private to Lieutenant

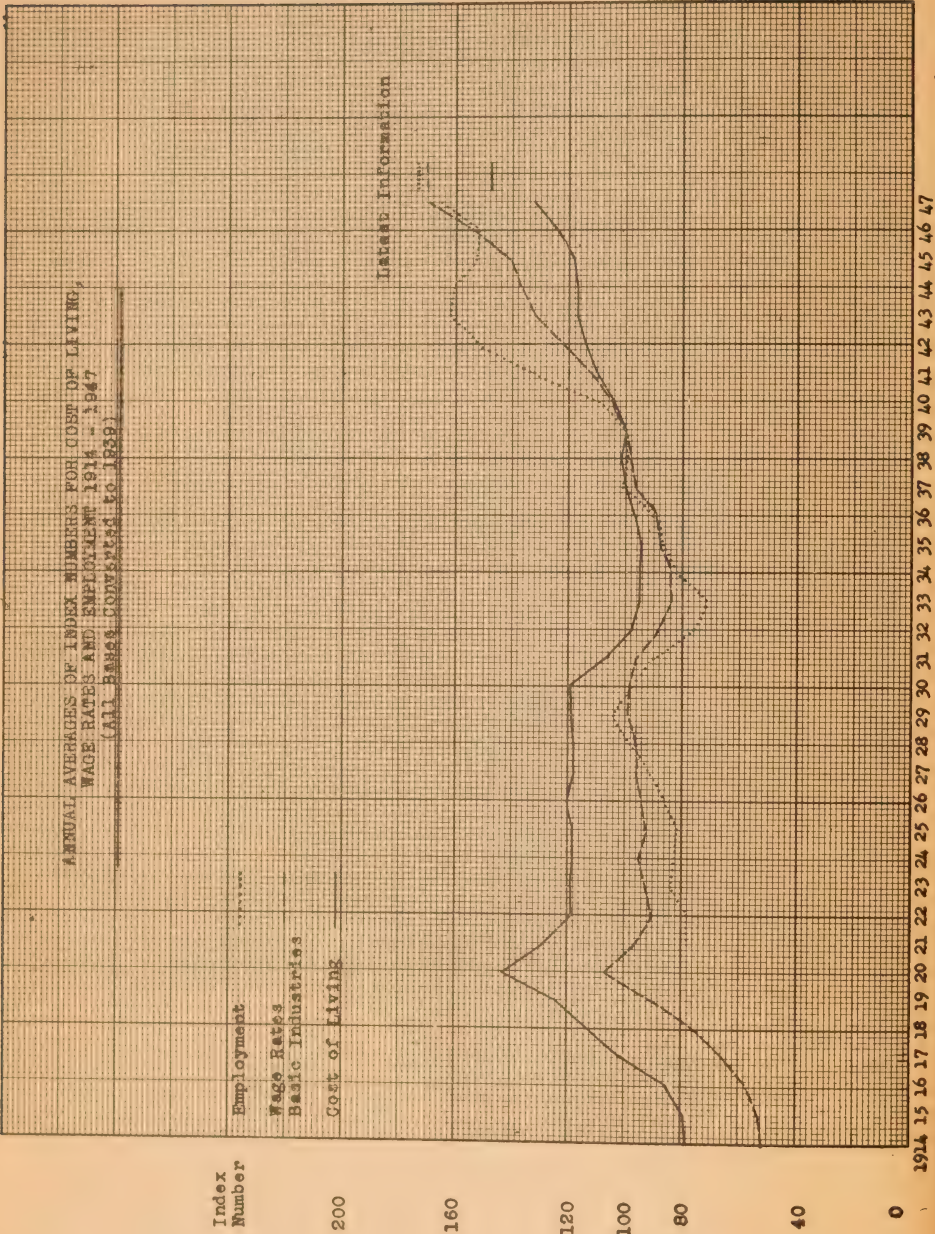
Class Percentage	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Pensioner.....	75 00	71 25	67 50	63 75	60 00	56 25	52 50	48 75	45 00	41 25	37 50	33 75	30 00	26 25	22 50	18 75	15 00	11 25	7 50	3 73
" New.....	87 00	83 25	79 50	75 75	72 00	68 25	64 50	60 75	57 00	53 25	49 50	45 75	42 00	38 25	34 50	30 75	27 00	23 25	19 50	15 73
6 months adjustment.....	72 00	68 40	64 80	61 20	57 60	54 00	50 40	46 80	43 20	39 60	36 00	32 40	28 80	25 20	21 60	18 00	14 40	10 80	7 20	3 60
Pensioner and Wife.....	100 00	95 00	90 00	85 00	80 00	75 00	70 00	65 00	60 00	55 00	50 00	45 00	40 00	35 00	30 00	25 00	20 00	15 00	10 00	5 00
" New.....	117 00	111 15	105 30	99 45	93 60	87 75	81 90	76 05	70 20	64 35	58 50	52 65	46 80	40 95	35 10	29 25	23 40	17 55	11 70	5 85
6 months adjustment.....	102 00	96 90	91 80	86 70	81 60	76 50	71 40	66 30	61 20	56 10	51 00	45 90	40 80	35 70	30 60	25 50	20 40	15 30	10 20	4 10
Pensioner, wife and 1 child.....	115 00	109 25	103 50	97 75	92 00	86 25	80 50	74 75	69 00	63 25	57 50	51 75	46 00	40 25	34 50	28 75	23 00	17 25	11 50	5 75
" New.....	135 00	128 25	121 50	114 75	108 00	101 25	94 50	87 75	81 00	74 25	67 50	60 75	54 00	47 25	40 50	33 75	27 00	20 25	13 50	6 75
6 months adjustment.....	120 00	114 00	108 00	102 00	96 00	90 00	84 00	78 00	72 00	66 00	60 00	54 00	48 00	42 00	36 00	30 00	24 00	18 00	12 00	6 00
Pensioner, wife and 2 children.....	127 00	120 75	114 50	108 25	102 00	95 75	89 50	83 25	77 00	70 75	64 50	58 25	52 00	45 75	39 50	33 25	27 00	20 75	14 50	8 25
" New.....	149 00	141 85	134 70	127 55	120 40	113 25	106 10	98 95	91 80	84 65	77 50	70 35	63 20	56 05	48 90	41 75	34 60	27 45	20 30	13 15
6 months adjustment.....	132 00	124 80	117 60	110 40	103 20	96 00	88 80	81 60	74 40	67 20	60 00	52 80	45 60	38 40	31 20	24 00	16 80	9 60	2 40	5 20
Pensioner, wife and 3 children.....	137 00	130 25	123 50	116 75	110 00	103 25	96 50	89 75	83 00	76 25	69 50	62 75	56 00	49 25	42 50	35 75	29 00	22 25	15 50	8 75
" New.....	161 00	152 65	144 30	135 85	127 50	119 15	110 80	102 45	94 10	85 75	77 40	69 05	60 70	52 35	44 00	35 65	27 30	18 95	10 60	2 25
6 months adjustment.....	144 00	136 20	128 40	120 60	112 80	105 00	97 20	89 40	81 60	73 80	66 00	58 20	50 40	42 60	34 80	27 00	19 20	11 40	3 60	6 30
Pensioner, wife and 4 children.....	147 00	139 75	132 50	125 25	118 00	110 75	103 50	96 25	89 00	81 75	74 50	67 25	60 00	52 75	45 50	38 25	31 00	23 75	16 50	9 25
" New.....	173 00	164 35	155 70	147 05	138 40	129 75	121 10	112 45	103 80	95 15	86 50	77 85	69 20	60 55	51 90	43 25	34 60	25 95	17 30	8 65
6 months adjustment.....	156 00	147 60	139 20	130 80	122 40	114 00	105 60	97 20	88 80	80 40	72 00	63 60	55 20	46 80	38 40	30 00	21 60	13 20	4 80	7 50
Pensioner, wife and 5 children.....	157 00	149 25	141 50	133 75	126 00	118 25	110 50	102 75	95 00	87 25	79 50	71 75	64 00	56 25	48 50	40 75	33 00	25 25	17 50	9 50
" New.....	185 00	175 75	166 50	157 25	148 00	138 75	129 50	120 25	111 00	101 75	92 50	83 25	74 00	64 75	55 50	46 25	37 00	27 75	18 50	9 25
6 months adjustment.....	168 00	159 00	150 00	141 00	132 00	123 00	114 00	105 00	96 00	87 00	78 00	69 00	60 00	51 00	42 00	33 00	24 00	15 00	6 00	7 50
Pensioner, wife and 6 children.....	167 00	158 75	150 50	142 25	134 00	125 75	117 50	109 25	101 00	92 75	84 50	76 25	68 00	59 75	51 50	43 25	35 00	26 75	18 50	9 50
" New.....	197 00	187 15	177 30	167 45	157 60	147 75	137 90	128 05	118 20	108 35	98 50	88 65	78 80	68 95	59 10	49 25	39 40	29 55	19 70	8 85
6 months adjustment.....	180 00	170 40	160 80	151 20	141 60	132 00	122 40	112 80	103 20	93 60	84 00	74 40	64 80	55 20	45 60	36 00	26 40	16 80	7 20	8 10

Dependent Pensions:

Widow & 1 Ch. Widow & 2 Ch. Widow & 3 Ch. Widow & 4 Ch. Widow & 5 Ch. Widow & 6 Ch. 1st Ch. 2nd Ch. 3rd Ch.

	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Old Rate.....	60 00	75 00	87 00	97 00	107 00	117 00	127 00	137 00	147 00	157 00	167 00	177 00	187 00	197 00	207 00	217 00	227 00	237 00	247 00	257 00
New Rate.....	70 00	88 00	102 00	114 00	126 00	138 00	150 00	162 00	174 00	186 00	198 00	210 00	222 00	234 00	246 00	258 00	270 00	282 00	294 00	306 00
Adjustment.....	60 00	78 00	90 00	102 00	114 00	126 00	138 00	150 00	162 00	174 00	186 00	198 00	210 00	222 00	234 00	246 00	258 00	270 00	282 00	294 00

APPENDIX "B"



APPENDIX "C"

CANADA

ANNUAL AVERAGES OF INDEX NUMBERS FOR COST OF LIVING, WAGE
RATES AND EMPLOYMENT

1914-1947

(All Bases Converted to 1939)

Year	Cost of Living	Wage Rates	Employment
1914	78.5	52.8	.....
1915	79.5	53.2	.....
1916	85.7	56.9	.....
1917	100.9	65.2	.....
1918	113.9	76.6	.....
1919	124.6	90.0	.....
1920	143.3	107.0	.....
1921	128.0	97.5	78.0
1922	118.6	91.1	78.1
1923	118.9	93.6	84.1
1924	117.0	94.8	82.0
1925	118.0	93.8	82.2
1926	120.0	94.4	87.4
1927	118.1	96.4	91.8
1928	118.7	97.5	98.0
1929	119.9	99.2	104.5
1930	119.0	99.9	99.6
1931	107.5	96.6	90.0
1932	97.5	89.7	76.8
1933	93.0	85.1	73.2
1934	94.2	85.9	84.3
1935	94.8	88.4	87.3
1936	96.6	90.0	91.0
1937	99.7	96.7	100.2
1938	100.7	99.6	98.2
1939	100.0	100.0	100.0
1940	104.0	103.9	109.0
1941	110.0	113.1	133.7
1942	115.3	122.5	152.5
1943	116.6	133.7	161.6
1944	117.1	137.9	160.7
1945	117.7	141.8	153.7
1946	121.8	155.2	152.1
1947	132.8	170.0†	165.0‡
Latest	147.8	(Feb. 1, 1948)	173.3

‡Preliminary.

†Estimated.

REHABILITATION DISTRIBUTION OF SERIOUSLY DISABLED VETERANS ACCORDING
TO PERCENTAGE OF ENTIRE DISABILITY AS OF 15TH NOVEMBER, 1947

	Not in receipt of a pension ⁽¹⁾	1 to 24%	25 to 49%	50 to 74%	75 to 100% without helplessness allowances	75 to 100% with helplessness allowances	Total
Number.....	5,966	4,277	7,680	5,601	5,568	269	29,361
<i>Status</i>		<i>Percentage distribution</i>					
Employed	40.31	72.97	79.86	77.91	53.75	55.39	65.26
Unemployed	5.05	60.08	4.52	5.00	5.48	6.69	5.15
Receiving treatment, training and other services	50.31	15.50	11.37	12.74	34.97	30.11	24.79
Rehabilitation not feasible	0.92	0.94	0.60	1.14	30.09	5.58	1.34
Status Unknown.....	3.41	4.51	3.65	3.21	2.71	2.23	3.46
Total all statuses	100%	100%	100%	100%	100%	100%	100%

⁽¹⁾ Includes cases in which entitlement has been conceded but where disability has not been assessed pending completion of medical treatment, as well as cases of non-pensionable disability.

⁽²⁾ Does not include the war blinded.

This table prepared from the register of disabled veterans maintained by the Casualty Rehabilitation Division, D.V.A.

Gov. Doc
Can
Com
V
CA1
XC2
45V21

(SESSION 1947-1948
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 3

FRIDAY, MARCH 19, 1948

WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant Chairman,
Canadian Pension Commission;

Mr. E. L. M. Burns, Assistant Deputy Minister, and Mr. E. J. Rider,
Research Adviser, Department of Veterans Affairs.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1948



MINUTES OF PROCEEDINGS

FRIDAY, March 19, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Walter A. Tucker, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Cruickshank, Dickey, Dion, Fulton, Gauthier (*Portneuf*), Green, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Tucker, Viau, White (*Hastings-Peterborough*), Wright.

In attendance: M. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant Chairman, Canadian Pension Commission; Mr. E. L. M. Burns, Assistant Deputy Minister, and Mr. E. J. Rider, Research Adviser, Department of Veterans Affairs.

Consideration was resumed of Mr. Herridge's motion, viz: that the Committee recommend that the amounts set forth in Schedules A and B to the Pension Act be increased by 25%.

Mr. Brooks moved in amendment thereto: that all the words after the word *that* in line one be struck out and the following substituted therefor:

1. This Committee at the present time consider only Section 13 of Bill 126 and Schedules A and B thereto.

2. That this Committee recommend that Schedule A to Bill 126 be amended to provide as follows:

(a) That the basic rate of pension be \$1,200 for the following ranks: Lieutenant (Naval), Captain (Military), Flight Lieutenant (Air) and all ranks and ratings below;

(b) That the basic rate for additional pension for married members of the forces be \$400 per year;

(c) That additional pension for children for all ranks be—

First child	\$240.00
Second child	192.00
Each subsequent child	160.00

3. That this Committee recommend that Schedule B to Bill 126 be amended to provide as follows:

(a) That the basic rate of pension for widow or dependent parent: Lieutenant (Naval), Captain (Military), Flight Lieutenant (Air) and all ranks and ratings below be \$960. per year;

(b) That additional pension for children or dependent brothers or sisters for all ranks be—

First child	\$240.00
Second child	228.00
Each subsequent child an additional	160.00
Orphan child or orphan brother or sister	480.00
Second orphan child	384.00
Each subsequent orphan child an additional	320.00

Photostatic copies of the chart produced by Mr. Rider at the last meeting were distributed to the members of the committee.

Mr. Rider was called and questioned.

Mr. Melville was called and questioned.

Mr. Melville tabled a schedule of rates of helpless allowance paid by the Department, which was ordered to be printed as Appendix "A" to this day's minutes of proceedings and evidence.

At 1.00 o'clock p.m., the Committee adjourned until Monday, March 22 at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

March 19, 1948.

The Special Committee on Veterans Affairs met this day at 11.00 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: Gentlemen, will you come to order, please. In order that we might have some aim in connection with our work, I was thinking that perhaps we might call the bill and might even discuss various sections of it. I had in mind, myself, that for example we might come to some conclusions on such matters as the helplessness allowance before the holidays and there would be time for the government to consider any recommendation the committee might see fit to make on such items. I thought, also, if we called the bill we might take up the things on which we consider we might make some useful recommendations and any discussion this morning it seems to me should be based on the bill. Now, carrying on from where we left off at the last meeting, the first item of course will be a statement from the minister as to the possibility of splitting the bill in the light of the situation referred to. After the minister's comments the research people will lay before us a graph which they feel puts in the proper position the actual pensions back as far as 1916. I think myself the graph which will be presented will be a more useful graph than the one which was put before us the other day because it has the pensions plotted in the manner which the department feels is correct. Before going on with that, however, I would ask the minister to give us the report in regard to the situation.

Hon. Mr. GREGG: Mr. Chairman, and gentlemen. The committee has requested a statement on the possibility of splitting this bill and referring back quickly to the House that part dealing with the proposed schedule, and retaining the remainder of the bill for discussion by the committee, having in mind the possibility of that remainder being the basis of a second bill. I have to report that the government is unable to make any guarantee that it will be able to bring forward such a second bill. I would also like to state, while I am on my feet, and I know the committee is familiar with this, that having been informed in January it would take two months to prepare the cheques, I asked the officials to proceed on that basis. Perhaps, Mr. Chairman, there might be opportunity for some clarification of that point later.

Mr. BROOKS: Would the minister tell us the grounds upon which the government feels they cannot deal with a second bill providing this bill was split?

Hon. Mr. GREGG: One of the grounds for being unable to give definite assurance of dealing with a second bill was the time factor and the amount of legislation before the government, the uncertainties as to what may come before parliament in the light of the general situation of the world, all of which will have to be considered after the Easter holidays.

Mr. PEARKES: Did the government give the minister any intimation as to whether it would be proper to accept a recommendation of increase as recommended by the briefs. I think it is important that we should know whether we have any hope of increases as a result of the briefs given.

Hon. Mr. GREGG: There has been no intimation at this juncture. The matter has been discussed before, but I did not yesterday discuss the idea of any firm recommendation of this committee for any definite amount because I felt I was not authorized to do so since the matter had not been completed by this committee to that extent.

Mr. BENTLEY: The government's position, I take it, is that they will allow \$12,000,000 to be spent for the purposes of this bill and no more.

Mr. MUTCH: There was nothing in the minister's remarks to give an indication of any such decision.

The CHAIRMAN: I have already said that what I think we should do is to start considering the bill. There are certainly recommendations made by the Canadian Council of Veterans, and the Canadian Legion on which I think the committee might want to express an opinion—particularly in regard to such matters as helplessness allowance. There is nothing in the bill regarding helplessness allowance to bring the ratings for the higher ranks up to the level of the lower ranks and on such matters I am sure we could make recommendations. In regard to the general level of pensions I would say that is a matter for us to consider. While we cannot amend the bill, as members we realize we can make recommendations and I do not think anybody needs to say that in the light of past history the government will not pay careful attention. The government will not necessarily accept our recommendations, but it will certainly give a great deal of attention to what this committee recommends. I think all the minister intends to say is we have not considered the matter, so naturally, he did not bring it to the attention of the cabinet. My own feeling is we should finish the submission made by the statisticians this morning so that everyone will have the facts before starting to consider the bill. I would have liked to call the steering committee together in order to obtain the reaction of that committee but as everyone is under such pressure I hate to keep calling meetings.

Mr. BROOKS: If the object of calling the statisticians and others is to give us information upon which to base increases in pensions and to accept the bill, I think Mr. Bentley's point is well taken. If we are going to accept this bill—and most of us are pretty busy—we are going to take a lot of time discussing matters which are not going to be dealt with by the government and I think that is rather unfair to the committee. We should know whether the government has an open mind in the matter and is willing to listen to our recommendations, otherwise I think we are just marking time.

The CHAIRMAN: I have a great deal of sympathy with what Mr. Brooks has just said and it was with that thought in mind that I suggested we deal with certain definite features of the bill. I feel there would be some likelihood of getting some concrete results if we did that rather than to take up at this particularly busy time the question of the schedules. Now, this is all a matter for the committee to decide, of course.

Mr. GREEN: In effect, what you have told us is that the government has no intention of granting any increases. You said a few moments ago it was important that we should consider and make recommendations on certain items so that the government could consider them over the Easter recess. Now the main question we want to consider is the question of increases to pensions. If the government is going to consider that matter at all certainly we should be going into it now and the very first thing to decide is what the committee will recommend. The government will then have opportunity for consideration of the recommendations during the Easter recess.

Mr. MUTCH: Just on that point, Mr. Chairman, I would say it is abundantly clear to everyone that the bill presented to us, is in the opinion of the administration an indication of how far it should go, or might properly go, at the time it

was prepared. However, there is nothing in the experience of this committee I submit, or in the twelve years that similar committees have been sitting, to indicate that the considered opinion of the Veterans Affairs Committee would not result in consideration or re-consideration of the members of the cabinet. I suggest that just because we have a recommendation in the form of a bill in front of us that it is not necessarily a closed book and we are not justified in assuming on the basis of the past record that our suggestions are not likely to be effectual. We might be in a stronger position if we did some deliberating here and now. I do not believe that anyone thinks that the government or the cabinet is not going to accept our recommendations. In the past they have not sent things to the committee just to keep the members employed. We have had an unusual degree of co-operation from this government in veterans committees and I think we ought to assume we are going to get it again. We ought to proceed with our deliberations and make our own recommendations rather than to assume we are just here for the ride. If I thought we were just here for the ride, I do not mind saying here and now in the presence of the chairman and the minister that I would not be wasting my time.

Mr. FULTON: I agree with what Mr. Mutch has said and I think that we should start considering the schedule and make recommendations. I think we should start with the assumption that our recommendations will receive attention.

Mr. WRIGHT: I agree with the last speaker that we should assume the government is going to give consideration to any recommendations which we make. The important recommendation in this bill is of course the increase in the basic pension. That is the main thing in the bill. There are some other things, paraplegics' allowances and senior officers' pensions and so on which are important but they are not nearly as important as the main item in the bill which is the matter of increases. I think that is what we should discuss. If we are going to make recommendations we should make them before Easter and give the government time for consideration. I think it is clear that we will get some of the smaller things through but are we going to get the matter of increases through to our satisfaction. I think that is what the veterans and the people of this country want to know.

Mr. QUELCH: I agree we should deal with the schedule before we attempt to deal with the bill as a whole, for this reason. The chairman has pointed out we have not power to amend the bill and if we were to decide pensions should be increased the bill would have to be passed with the present increase of 16 per cent. We have no assurance that the recommendation made by the committee regarding an increase to 25 or to 33 per cent would be considered. I think before passing the bill we should send in a recommendation, or a report to the House, that in the opinion of the committee 16 per cent is too low and that the rate should be increased to 33½ per cent. Then we would know the position we were in, or whether we would in fact be passing a bill limiting the increase to 16 per cent. Do not forget the record in the past shows that when this committee adopts a bill which does not go far enough, in the future the action of the committee is stated as being in support of the bill. It is never explained that the committee compromised—that they were not satisfied but rather than to turn the bill down they agreed to a smaller increase. It is stated, however, that at that date the committee agreed that the figure was a correct figure. If we pass this bill with 16 per cent as the stated rate of increase, the various organizations across the country will say the Veterans Committee disregarded their recommendations and agreed to the 16 per cent. I would favour sending a report back to the House at this time stating that 16 per cent is not sufficient and that it should be increased to the higher figure, whichever one is accepted, and that we should take no action on the bill until that report has been answered.

Mr. PEARKES: I agree entirely with what has been said regarding the importance of these schedules. There is a time limit, we know, and we want to get these cheques out to the veterans. Now the Minister of Veterans' Affairs heard the members at the last meeting of this committee. He sat with us and he must have discussed the temper of this committee with his colleagues. He must have reported the suggestion that there should be either a 25 per cent or a 33½ per cent increase. That was the obvious feeling of this committee. In the past, with other committees, the Minister of Veterans' Affairs—the former minister—was able to give us an indication that the government was prepared to go this far or to go that far or would not go any further than a certain point. It is inconceivable to me that the Minister of Veterans' Affairs did not tell the government what the feelings of the veterans' organizations were and what the obvious feelings of this committee were. He must have discussed it with his colleagues and he must have got some indication as to how far the government was prepared to go. We are wasting our time if we are going to discuss these little paragraphs without knowing the real intention of the government. We are wasting our time if we have not some indication of how far the government is prepared to go. After we have received such expression of intention we can argue as to whether the increase should be 33½ per cent or 25 per cent but we must get a lead from the Minister of Veterans' Affairs.

The CHAIRMAN: What I had in mind was this. The discussion on the schedule will likely take up all the time we will have available at our meetings between now and Easter. The reason I suggested dealing with such things as the helplessness allowance before we take up the schedule, is to make sure those matters will be dealt with before Easter, and as soon as we get our recommendations through on those items we would be ready to go on with the schedule. I feel sure that everyone will realize those would be questions which we might dispose of quickly and I am trying to point out to the committee what we should best do now for our comrades. My suggestion is that if we deal with some of these other submissions we would not get to the schedule and that I think we should be trying to get the recommendations of this committee before the government on such matters as helplessness allowance. If the committee, however, feels the other matter is one which should engage our attention without going into the helplessness allowance it is a matter for the committee to say. I was very much impressed by the representation made on behalf of the paraplegics and others and I would have liked to have some expression of this committee to take to the government when there is a little bit of time for consideration at Easter. Having dealt with those matters we would come back to the hard core. If the committee wants to put aside the splendid representation of the delegation from the National Council and go on with the main question it is free to do so.

Mr. GREEN: I think you are quite wrong in putting it that way—that the committee wants to put aside the question of helplessness allowance. I am quite sure there is not one of the members of this committee who wishes to do that. The helplessness allowance cannot be finally settled until the whole act is passed in any event. That question is extremely important but the underlying question is the basic pension and there is no reason why that should not be taken up at once. While we are considering the basic pension we can consider the helplessness allowance. Your suggestion is, however, that we push aside the question of the increases in rates of pension until after Easter?

The CHAIRMAN: No, that is not right.

Mr. GREEN: Well I think that is what it amounts to.

Mr. ROSS: Mr. Chairman, I am remarking upon the statement made by General Pearkes and I am bound to say the previous minister certainly kept in very close touch with the cabinet and was prepared on several occasions to give us a pretty good lead as to what we could expect from the government. Now I cannot support the motion made by Mr. Fulton at this time. I am sure that

what the veterans across Canada are concerned with at this moment is whether the 16 per cent is sufficient or not and the one thing we should recommend first of all is what the rate of increase should be. I think that is the first principle. It is certainly the first principle that strikes me and I am a bit disturbed that the minister has expressed himself as he has this morning. I cannot conceive after a presentation such as that we listened to last Monday—the most impressive representation that I have listened to in any committee—I cannot conceive that he has not discussed this matter with the cabinet. It is a very different experience from that which we have had with the previous minister. I am quite disappointed that he has told us this morning it was not discussed. I do not think anybody on previous committees would deny that the previous minister did not give us many leads as to what we might expect from the government. I would like to see a decision on the proposed amount of the increase. Personally, I am opposed to an increase of only 16 per cent in disability pensions and I am sure veterans across the country expect a great deal more. I think that is the first principle which should be attacked in our discussions with a view to any recommendation.

Mr. FULTON: I said I believed that we should consider that matter right away.

Mr. ROSS: Well, I am sorry if I misunderstood the honourable member.

Mr. QUELCH: If we now deal with the question of increased pensions and make our recommendation to the government then, whilst the government is considering those recommendations we can go on with the rest of the bill. If we go on with the bill without making a recommendation with respect to increases then we will be held up awaiting government reply on that matter. Let us make the recommendation regarding increases and give the government time to consider it.

Mr. CRUICKSHANK: My idea of procedure is that in a case like this there must be a motion. Now I for one wish to register my objection regarding this room. The Prices Committee is doing nothing down there in the railway room, they have a great big room in which they are sitting around twiddling their thumbs. Now the most important committee, the committee on veterans affairs, is put in a little ante-room like this and to my way of thinking that does not speak very well for the Department of Veterans' Affairs. I think the minister should see that we have a proper room.

Now, there is a motion which was moved by Mr. Herridge and seconded by myself where we are to recommend an increase of 25 per cent straight across. I would like to see a decision on the motion moved the other day by Mr. Herridge and seconded by myself, where we objected to the present 16½ per cent or 17 per cent increase and where we recommend to the government that it alter the increase to a straight 25 per cent. I see no reason why that question cannot be dealt with and I object to any other motion being put at this time.

Hon. Mr. GREGG: If I may refer back to General Pearkes' remark I would say that I think it is a fair question. I must explain to Mr. Ross, however, that I did not say the matter had been casually dealt with by the cabinet. I think he made that inference. In reply to General Pearkes I will say that the whole spirit and strength of the representations made the other day were brought to the attention of my colleagues. With respect to the other question, up to this date—the 19th of March—I will say that the amount shown in the bill is in my opinion the distance the government is prepared to go, without further deliberations and consultations, on the matter of increases. Does that answer the question?

Mr. ROSS: Well, that is putting the matter in a different light to that which I understood a moment ago. I thought you said that you did not think it was opportune to discuss the matter seriously with the government in that you received no recommendation from this committee.

Hon. Mr. GREGG: I want to make that perfectly clear. I felt it would be wrong for me to discuss any given amount as a definite recommendation of this committee.

Mr. ROSS: Well, that is certainly a little different from what I understood.

Hon. Mr. GREGG: Yes, I can assure you that the matter of increases has been under consideration continuously since I have had anything to do with veterans' affairs.

Mr. HERRIDGE: I want to discuss what was said by Mr. Cruickshank and Mr. Quelch. If we have this recommendation before the committee—and any other recommendations which we can receive—no amount of evidence taken will have much effect. We have had our minds made up in the committee as to what was necessary for the committee to recommend to the cabinet.

Mr. BROOKS: Well, when Mr. Herridge moved his motion I indicated that I was going to move an amendment. I think Mr. Herridge's motion was to the effect that there should be a 25 per cent increase straight across the board. Looking at the schedule I do not think you can make a broad motion like that.

Mr. HERRIDGE: Would you have the clerk read the motion?

Mr. BROOKS: There was no motion put.

Mr. CRUICKSHANK: Pardon me, there was. It was not written out but it was moved and seconded.

The CHAIRMAN: The clerk tells me there was a motion.

Mr. FULTON: If that is the case I was under a wrong impression. I was not of the opinion that a motion was formally submitted, but if that is so and if it is necessary for me to withdraw my motion, I would do so—I moved that we start considering the schedules.

Mr. Mutch: If we accept the other motion yours will be automatically out of order.

The CHAIRMAN: I understand from the clerk that Mr. Herridge did hand him a written motion. The clerk has now handed me the motion—"That the committee recommend that the amounts set forth in schedules A and B of the Pension Act be increased by 25 per cent." That is the motion made by Mr. Herridge and seconded by Mr. Cruickshank.

Mr. BROOKS: I would like to move an amendment to that motion. As I pointed out, that motion includes all ranks, not only lieutenants, captains and flight lieutenants, but all ranks and ratings below as well as the higher ranks. Now I would like to move—

The CHAIRMAN: Have you the amendment written out?

Mr. BROOKS: Yes.

2. That this committee recommend that schedule A to bill 126 be amended to provide as follows:

- (a) That the basic rate of pension be \$1,200 for the following ranks: lieutenant (naval), captain (military), flight lieutenant (air) and all ranks and ratings below;
- (b) That the basic rate for additional pension for married members of the forces be \$400 per year;
- (c) That additional pension for children for all ranks—

First child.....	\$240.00
Second child.....	192.00
Each subsequent child.....	160.00

2. That schedule "B" to bill 126 be amended to provide as follows:

- (a) That the basic rate of pension for widow or dependent parent lieutenant (naval), captain (military), flight lieutenant (air) and all ranks and ratings below be \$960 per year;

- (b) That additional pension for children or dependent brothers or sisters for all ranks—

First child.....	\$240.00
Second child.....	228.00
Each subsequent child an additional.....	160.00
Orphan child or orphan brother or sister.....	480.00
Second orphan child.....	384.00
Each subsequent orphan child an additional.....	320.00

I might say this motion is seconded by Mr. Hoyt.

The CHAIRMAN: This is moved as an amendment, to the motion which was moved by Mr. Herridge and seconded by Mr. Cruickshank.

Mr. BROOKS: I think Mr. Herridge's motion should be clarified as to whether he is including all ranks in his motion or whether it is lieutenants and captains and all ranks and ratings below that.

The CHAIRMAN: You can take it as it was submitted.

Mr. HERRIDGE: It would include all ranks as I submitted it.

The CHAIRMAN: It would be taken just as it reads.

Mr. CRUICKSHANK: There are very few colonels and generals that we have to worry about.

Mr. BAKER: As it was read it said that it was to be "an increase over the schedule" and I think what is meant is an increase on what is included in the veterans charter.

The CHAIRMAN: "That the committee recommend the rate set forth in schedule "A" and "B" of the Pensions Act be increased by 25 per cent." There is only one Pensions Act and that is the existing act. Now, it is rather hard to follow this amendment of Mr. Brooks' but so that everyone will know what is contained in it perhaps Mr. Brooks will elaborate.

Mr. BROOKS: In effect it is a 33½ per cent increase over the Pensions Act except for ranks higher than lieutenant (naval) and captain (military) and flight lieutenants (air).

The CHAIRMAN: I take it gentlemen, from the remarks of one of the members, that the committee has its mind made up on this without the necessity of hearing evidence from the Pensions Board as to what is involved. That is not my impression of a proper approach to the matter. Is it the opinion of the majority of the members that we do not need to hear evidence, and that we can get on at once without hearing evidence? I am prepared to have a motion—it is a matter for the committee itself.

Mr. MUTCH: I think we should have some knowledge of what is involved. I would suggest, Mr. Chairman, that we should have some indication of the variation in the new proposal which is presently before us as against the proposals before us in the form of the bill.

Mr. DICKEY: Perhaps the mover of the motion has figured out what is involved in the way of annual expenditure.

Mr. BROOKS: According to this bill the amount has been increased by 16⅔ per cent and we have been told that would mean an expenditure of an additional \$12,000,000. Thirty three and one-third per cent is twice 16⅔ and by a little arithmetic you will see that the increase as contained in my amendment would be to the extent of \$24,000,000.

Mr. QUELCH: Could we have a clarification there, Mr. Brooks? Does the amendment to schedule "B" call for a reduction of the amount of pensions to higher ranks?

Mr. BROOKS: No, they get the same as widows of any other ranks.

The CHAIRMAN: I will read the actual motion again "That the basic rate of pension for widow or dependent parent lieutenant (naval), captain (military), flight lieutenant (air), and all ranks and ratings below be \$960.00 per year."

Mr. VIAU: That is the proposed amendment.

The CHAIRMAN: That is the proposed amendment.

That additional pension for children or dependent brothers or sisters for all ranks—

First child.....	\$240.00
Second child.....	228.00
Each subsequent child an additional.....	160.00
Orphan child or orphan brother or sister.....	480.00
Second orphan child.....	384.00
Each subsequent orphan child an additional.....	320.00

Does that answer your question Mr. Quelch?

Mr. QUELCH: No, I am referring to schedule "B".

Mr. BROOKS: You must refer to the old Pension Act to get the basis for these increases and under the old Pension Act the additional pension for dependent children, brothers and sisters—one child is \$180.00. One-third of \$180.00 is \$60.00. You add that \$60.00 to \$180.00 which makes \$240.00. The same procedure is followed throughout, of adding the $\frac{1}{3}$ to each of those amounts set out in the Pension Act and on page 95 of the Veterans' Charter.

Mr. CRUICKSHANK: The same thing holds true on the motion suggesting 25 per cent instead of $33\frac{1}{3}$ per cent.

The CHAIRMAN: Is it desired now to hear evidence in regard to the amendment to the motion, or do I take it from the remark of the member who said he had made up his mind and he did not need to hear evidence that he is reflecting the attitude of the committee?

Mr. QUELCH: I do feel in view of the fact that we are making a recommendation which is quite a heavy one, that the recommendation would probably receive far more consideration from the government if it was explained we had received evidence than if the government was advised that we had not bothered to hear evidence. I think in order to ensure that due consideration will be given to our recommendation it is very necessary that we hear evidence.

Mr. GREEN: I do not think it would be wise to make any attempt to cut off evidence.

The CHAIRMAN: That is what I thought but there seemed to be some implied censure of the chair in arranging to call evidence.

Mr. ROSS: I think that we require some explanation as to just what these two amendments involve.

Mr. Mutch: Well, there is a motion, you can speak to it.

The CHAIRMAN: There have been graphs prepared as requested on the matter. The pension line has been written in and I will have the graphs handed around. I believe they will be very helpful to the members of the committee. Perhaps a word about the graph, before we called Brigadier Melville, might be very helpful to the committee. It would not take very long and I think perhaps it might be well for Mr. Rider to just explain the graph.

E. J. Rider, Research Advisor, Department of Veterans Affairs, called:

The CHAIRMAN: You may proceed.

Tre WITNESS: Mr. Chairman and gentlemen, the graph which has been placed before you is in essence the same graph which was discussed on Tuesday last with two or three additions to show the pension level. In our discussions

on Tuesday I tried to point out the pension level could not be considered as an index, it must be considered as a level. As the rate of pension was set in 1925 by the legislation, your pension level, in comparison with the cost-of-living index, should be that level at which the cost-of-living index was set in 1925. On the graph that feature is represented by a line at an index level of 118 and marked on the graph is the pension level compared with the cost of living. Two changes in the pension level were made by means of a cost of living bonus. If you will look to the left of the graph it indicates the level of approximately 78 and you will see a marker for the 1916 level of pension. The first increase in 1919 was a 20 per cent cost of living bonus. That is indicated on the graph by a marker at the 1919 level. The second increase was a further 30 per cent increase in 1920 and that increase is marked by the marker at the 1920 level. This pension level was confirmed by the legislature in 1924 and that level then remains from 1920 to the present time. On the right of the graph there is a level "proposed pension level", which is a percentage increase over the 118 line of the proposal which has been placed before you. That, gentlemen, is the only difference between this graph and the one which was presented to you on Tuesday.

Mr. MUTCH: That has a great deal more meaning.

By the Chairman:

Q. Just to make it plain to the committee, as it was not plain to me for example, the graph there in regard to cost-of-living index ends right opposite where 47 is printed underneath. I understand the point where that ends is the average cost of living for 1947?

A. Yes sir. The plotted points up to 1947, in a vertical line, are the annual averages. The index numbers for each month have been averaged to arrive at the annual average, and the annual averages have been plotted. Then we have pinned to that final annual average a marker which indicates the latest information which is available. The markers are not annual averages; they are estimates at the present time, but all the plotted points are annual averages.

Q. What is the annual average of cost of living in 1947 what is the actual figure?—A. In 1947 the annual average for the cost of living is 132·8.

Q. And the actual cost of living at the present time for the month of February is what?—A. 147·9, remembering that the index numbers are given on the basis of the year 1939. The normal statistical base is taken as 1935-1939 which would bring the figure to 150·1.

Mr. QUELCH: I think a different graph should be prepared. This is still not a correct graph. 1926 was established as a basic year and all the lines were brought together in 1926. Then when 1939 was taken as the basic year all the lines were brought together in 1939 but you will notice that throws the lines out separately from 1926. We are trying to establish something on the basis of 1925 which was the time that the pension was set, and it was set not merely in relation to the cost of living, but it was set also in relation to the cost of living, wage levels, and employment levels. Therefore this graph should show all the lines together as of 1925; then it should show an increase or decrease in the cost of living, employment levels, and wage levels from that point. I agree that the information can be found from this graph by subtracting the level of employment and wages of 1925, but in order to get the picture in this graph you must do that subtraction. Therefore, in order to give a similar picture, 1925 should be taken as the basic level of employment, wage levels, and cost of living level, and automatically you would have the picture. I think you will agree, would you not, with what I am saying?

The WITNESS: Yes, and I would just like to make one point. I would ask you to remember the graph as presented was presented strictly as a factual matter. It was not in my mind, as I prepared the graph, to relate it to pensions. It was prepared as a factual relationship between three index numbers.

Mr. QUELCH: What we want to show is the actual change since 1925 in the cost of living, wage levels, and employment levels. In order to get that picture the basic line of those levels for 1925 should be shown. I agree that you will get it from this graph but you must subtract these various levels from the basic level in order to do so.

The CHAIRMAN: I spoke to the witness about that. You were going to prepare a graph, which would partly meet with Mr. Quelch's idea by showing the actual purchasing power of a pension. Have you got that?

The WITNESS: That graph is in the process of preparation but I am afraid it cannot be here today.

By Mr. Green:

Q. May I ask a question on the statement made by Mr. Herwig, the General Secretary of the Canadian Legion found at page 12, volume 1, of our minutes of proceedings?

Mr. Chairman, in view of the fact the pension is based upon the ability of the pensioner to perform labour in the common labour market we think that the pension should bear some relation to common labour rates which would average about 55 cents an hour throughout Canada, and on an 8-hour day that would average about \$100 a month."

Now can the witness say whether or not that statement of Mr. Herwig's is correct?—A. No, I cannot say that the statement is correct unless I checked the figures quoted.

Q. Have you any reason to think it is incorrect?—A. No sir, I have found no reason to think it is incorrect but I have no reason to accept it unless I may have time to check the figures and to prove their correctness to myself.

Q. It does seem to me, Mr. Chairman, that is a very practical way of deciding the merits of this question. Mr. Herwig has pointed out the pension is based on the common labour market—I do not suppose any of us would approve of that today—but that is the way it was set in the first place. He goes on to say the average in the common labour market is \$100 a month, which is the amount suggested by the amendment of Mr. Brooks. Now if the witness could break that figure down I would like to see it done.

By the Chairman:

Q. Perhaps the witness could say from this graph where the wage rates levels were on the first date on the graph—where they are from the average?—A. Yes, the index of wage rates is the broken line on the graph. With the other index numbers it was a broad index of 100 in 1939. In 1946 it was 155.2, and as I explained to the committee on Tuesday, the figure for 1947 is an estimate. I think I made it quite clear that I took a liberty in making that estimate by trying to determine in the past year what the average increase in the hourly wage rates had been, and, from such information as I obtained, it appears to be approximately 10 per cent. In order to give you an indication of where this index rests in 1947 we applied the increase of 10 per cent to arrive at an index number of 170, which is definitely an estimate.

Q. That is for 1947?—A. Yes.

Q. Now what was the wage rate in 1925?—A. In 1925 the wage rate index was 93.8.

Q. And in 1920?—A. In 1920 that index was 107.0.

The CHAIRMAN: That more or less answers your question, Mr. Green, does it not?

Mr. GREEN: Well, I do not think it does, Mr. Chairman. The witness's figures are based on, and worked out on, an entirely different basis. There you have the statement by the secretary of the Canadian Legion which if it is correct is very important. I want to know whether it is right and whether the average wage today is 55 cents an hour in the common labour market.

Mr. HARRIS: He could check that and have it for us next week.

The WITNESS: The only information I have is the information contained in the *Labour Gazette* for January and there is a table related to the earnings by industry. Unfortunately it is not exclusively labour, but it is the wage earnings of labour by industries. For the 1st of November 1947 in the manufacturing industry the average weekly earnings are represented as being \$38.47; in the logging industry the figure is \$36.85; in the mining industry the figure is \$44.70; in the communications industry the figure is \$35.33; and the nine leading industries the figure is \$37.71.

The CHAIRMAN: That is per week?

The WITNESS: Per week.

Mr. FULTON: What is the average number of hours worked per week?

The CHAIRMAN: We may be able to get a statistician from the Department of Labour to actually deal with this point if it is the wish of the committee. They might work on this over the week-end and be able to give it to us next week.

The WITNESS: The *Labour Gazette* does show that at the first of November, 1947, the average hours worked in the manufacturing industry—all manufacturers—is 42.9 hours per week; the figure in respect of durable goods is 43.1; the figure in respect of non-durable goods is 42.7.

Mr. FULTON: Thank you.

The WITNESS: I am referring to page 107 of the *Labour Gazette*.

Mr. GREEN: As a matter of fact it would be much fairer to base pensions on the average wage over the whole industry than to put it on the basis of the common labour market.

Mr. BELZILE: Mr. Chairman, I have been listening very attentively to the discussion which has gone on but I have been wondering if we are not working under some sort of a misconception or fallacy. There is no direct relation between the rate or level of pensions, and the cost-of-living index and the index of employment. The rate of pension is based essentially on the actual diminution of the earning power of a particular person. A man is disabled at the rate of 50 per cent—now what does that mean? That means actually the earning power of that particular person is reduced at the rate of 50 per cent. It does not mean in practice that this particular person, whose disability has been fixed at 50 per cent, will receive only 50 per cent of the wages that an able bodied and 100 per cent fit person will receive on the labour market.

Mr. BROOKS: It means he receives 50 per cent of the pension.

Mr. BELZILE: It does not mean that; it means that with his chances on the ordinary labour market, that person if performing the same job will get the same rate of pay as any other person who performs the same job.

Mr. GREEN: Our arguments this morning are all based on the 100 per cent disability.

Mr. BELZILE: Oh, I see. Well, the average employment and wage rate bears no relation at all to the level of pensions. If employment is plentiful, the pensioner or disabled person will stand almost as much chance of employment as an able-bodied person, and his wage for the work performed will compare with the wage of the able-bodied person. I come now to my first point, which is this. The rate or level of pension for a particular person has no relation to any level of wage rate or cost-of-living index.

Mr. ROSS: That statement is hardly right. I know something about having these poor chaps do certain jobs of work. They certainly cannot carry on as is suggested by the previous speaker. I just want to make the point clear because I have worked with these lads on different jobs of work and I am sorry to say that due to their casualty effects they are not able to perform the work

and therefore the argument does not stand. I know that the argument does not stand and I do not think it should go unchallenged on the record.

Mr. QUELCH: I think there is another thing which the speaker forgot, and, while in some respects he is right, nevertheless when you adjust a pension you adjust it having in mind the cost of living, having in mind the rate of wages, and having in mind the possibility of the pensioner being able to get employment. That is where the employment line comes in. If employment is low the pensioner's chances of getting employment are low. These things are bound to be taken into consideration and no doubt they were kept in mind in 1925 when the adjustment to pensions was made. That is why I insist that the line should have been drawn through 1925 because when we adjusted the pension in 1925 we took into consideration employment at that time, wages at that time and the cost of living at that time. Those things were kept in mind and did definitely have an influence upon the rate of pension at that time.

The CHAIRMAN: You and I see things the same way.

Mr. BELZILE: Mr. Dunlop, at page 2 of his statement given at our last meeting, gave us some figures of the progress made towards the rehabilitation of disabled veterans, and he gave us figures of those employed at the 31st of May, 1947, 12,000 and some odd, and on the 31st of January, 1948, 19,000; unemployed at the 31st of May, 1947, 1,900; on the 31st of January, 1948, 1,600. I do not want to be interpreted as saying that there is no relationship at all between the cost of living, wage rates and employment, that there should not be any relation and that it should not be considered in the fixing of a pension; but my point is this: there is no direct relation between those levels and indexes. I imagine I did prove it, as I said before, because the ability of a man to work has been diminished. That is right; but I do not think there is any relation between that diminution and such rate of his actual pay for the work performed.

Mr. FULTON: I am not concerned about that, and I think the speaker has gone off the track in describing the method by which pensions are fixed. Under section 2, subsection (g), disability is defined as meaning the loss or lessening of the power to will and do any normal mental or physical act. Now, if we study the history of the award of pension and the legislation which defines and establishes it we find that the first thing which must be done is to assess the rate of disability as a percentage of total incapacity. One hundred per cent is given as total disability. He has suffered a wound or he has an illness which means in terms of complete activity or inactivity that he is suffering 100 per cent disability. The first thing you do is to set a rate of disability and decide what compensation you are going to award for that disability, and the yardstick is used. Whether you think it is adequate or not the fact is that the yardstick was the earning power of a man in the common labour market. If a man was 100 per cent disabled and his rate was 100 per cent, the basis of his compensation was what he would earn in the common labour market. He has a total disability; therefore the yardstick is his capacity to earn a living; therefore he will get a compensation for his disability based on what he will earn in the common labour market.

Mr. HARRIS: Will you expand on those words, "based on what he will earn in the common labour market"?

Mr. FULTON: Then an attempt was made to find what the average earning of unskilled labour was, and 100 per cent disability was assessed accordingly. This was in 1916 or 1919 or 1922 when a bonus was given for an increase in the varying earnings.

Mr. DICKEY: A cost-of-living bonus.

Mr. FULTON: It was expressed that way, I pointed out that the actual amount of the increase given exceeded considerably the percentage increase in the cost of living and it had a much closer relation to the increase of the daily wage rate.

Mr. DICKEY: No. The figures we have now for the cost of living are related to the 1935-1939 basis. If you will go back and see the cost-of-living index at that time related to the 1913 basis you will see that they follow very closely the cost of living.

The CHAIRMAN: On that point, just to give you the figures—

Mr. FULTON: I think I have them here. In 1919 the cost-of-living index was 126·5; in 1920 the average for the year was 145·4; in 1925 it was down to 119·8; and in 1925 there was a bonus of 50 per cent.

Mr. DICKEY: On what basis are those figures computed?

Mr. FULTON: In 1916 on the cost of living.

Mr. DICKEY: Those are on the 1935-1939 basis. Go back to the figures of the 1913 basis.

Mr. FULTON: I am trying to show that as over 1919 the cost of living had actually dropped from 1919 to 1925. From 1922 to 1925 they incorporated a bonus of 50 per cent into the pension. I hardly think it can be argued that if the cost of living was dropping you would incorporate the bonus into the pension. It had a close relationship to the movement of the cost of living which had a closer relationship to the movement of daily wage rates. I do not want to get into an argument as to whether it is cost of living or wage rates.

Mr. DICKEY: That is the argument you are getting into.

Mr. FULTON: I did want to deal with the point that in assessing a man's pension you simply assess his own actual loss of earning power; you assess his percentage of disability; and you compensate him for the percentage of disability he suffers, if this is the yardstick which has been adopted, namely, 100 per cent which is a man's average earnings in the unskilled labour market. If we accept that point, we can come to the question of argument as to whether the movement of the rates of pension should follow the movement of wage rates exclusively or the cost-of-living index exclusively or follow a combination of both. I am prepared to argue on that point. The point I want to make at the moment is the basis that we should follow.

Mr. QUELCH: If unemployment is widespread the labour wage does not mean anything; he will not be able to get a job.

Mr. FULTON: The question of his ability to get a job or otherwise I submit should not come into the picture, because what we are compensating him for is the disability he has suffered.

Mr. DICKEY: The disability makes it harder for him to get employment.

Mr. FULTON: Employment has nothing to do with it; we are compensating him for a disability.

Mr. MUTCH: There are two points particularly which the committee has to consider this morning in dealing with this matter. The first is this: if we were dealing with the 100 per cent pensioner solely we would have practically no difficulty. The second thing is this; we must not get ourselves into the position—we of all people—of regarding a pension as designed to provide a living, adequate or otherwise. The principle in pensions has always been compensation for disability, and that disability is expressed, first, in his physical condition and, only secondly, in his loss of earning power. There are other methods of compensation for disability such as are found in workmen's compensation; and there is at the present time in some of the provinces an agitation to get a relationship between the rates of workmen's compensation—that is compensation for those who have been injured in their occupation—in terms of cost of living, and in some instances in terms of what a man's labour would bring in the labour market. Primarily, those of you who have lived with veterans and have been actually associated with veterans during the period of

the depression will remember how difficult it was to keep our own ranks—that is, the ranks of the veterans—steady on this question of whether or not pension is fundamentally income and the method of providing a living for a man who made a sacrifice, or whether it is compensation for damage.

I said in the beginning that if we dealt only with 100 per cent pensioners, and we could presume that the 100 per cent pensioner, by virtue of his 100 per cent, is incapable of placement or even in many instances of actually earning a full living—because the numbers are, perhaps, small enough, to be disregarded. However, we have to remember that the vast majority of pensioners are not 100 per cent; the alterations which we make with respect to basic pension are related all the way down to the man with the infinitesimal pension—and we have to take into consideration that fact. If we decide that our method of meeting an emergent situation—and I think this is an emergent situation—is that we are going to adopt the practice of fixing a basic level, then the only way of doing that is on the basis of 100 per cent. We have to bear in mind too that in times of prosperity, in times of good wages and labour scarcity—we do relate it to his cost of living. We have to remember that, even though his pension falls substantially below the ordinary cost of living at such a time, the partially disabled veteran has a much better chance of supplementing his pension than he will have at a time when employment is scarce and when during a depression wages are lower and competition is keener. Consequently if we stick to the idea of a fixed basic pension we ought to be prepared to realize this fact.

Now, I know that for the 100 per cent pensioner or the 70 per cent pensioner who is barred by virtue of his disability from earning anything at all, this does not help him very much, but he is the minority; and we cannot base our final decision on a minority only. If we want to adopt the principle that a pension for 100 per cent ought to be designed to give a competent living in relation to the general cost of living then we should not be talking about an increase in the basic rate of pension at all; we ought to be turning our attention to what I believe to be an impracticable idea; that is a sliding scale really related to a basic pension of 100 per cent and the cost of living at that particular time. We are not discussing that, and I submit we cannot mix the two things. I warn the committee that we must not regard this primarily as a method of fixing the scale of living of an individual; that is not the function of the disability pension; the function of the disability pension is primarily to compensate for damage.

The CHAIRMAN: Might I call your attention to this chart? When the chairman was faced with a somewhat similar situation in 1920—it is interesting to look back—in 1920 the cost of living went up to 142 and the wage rates went up to 106, and parliament at that time set the pension level between them at 118. It did not go to the height of the cost of living; it struck in between the two, and it set the pension level at 118 as compared with 142, apparently feeling that the cost of living would fall back again, which it did. I mention 1920 because 1920 was the time when the present pension level was established, and they happened to establish it when apparently both the cost of living and wages reached their peak, higher than they were until twenty years later. You will see in these figures what parliament did.

Mr. BROOKS: Was it 1920 or 1922 when it was established? I understood it was 1922.

The CHAIRMAN: If you look at the chart you will see it is 1920.

Mr. BROOKS: It was at its peak in 1922; the cost of living had come down to the level at which the pension was set.

The CHAIRMAN: It was 1920 when the level of pensions was established which we have today.

Mr. GREEN: I think Mr. Mutch has made a very serious mistake in his remarks when he mixes up the compensation for disability and the cost of living and so on. As I understand, the fundamental principle on which the pension is based is that if a man is disabled the pension gives him compensation for that disability regardless of what he is able to earn; he may be able to go out and earn \$10,000.

Mr. MUTCH: That is my point.

Mr. GREEN: He still gets the pension.

Mr. MUTCH: That is my point.

Mr. GREEN: If a man is 100 per cent disabled surely his pension must have something to do with what he needs to live on. Now, if you are entitled to 100 per cent pension then you should certainly get enough to live on. You say what it costs to live has no connection with the pension, but I think what we have got to consider here in this committee is what is a fair amount to pay a man who is completely disabled, so that he can live decently.

Mr. MUTCH: If you will permit me, what you are saying in your own words is actually what in my own way I was trying to express; but if I took the proper interpretation from your remark a few moments ago with regard to a pensioner who is able to earn a large salary, you are not going to suggest that a 100 per cent pensioner who earns \$10,000 as an executive for a corporation should not get his pension?

Mr. GREEN: No. I would like to ask Mr. Rider for those figures to show the average wage paid in industry in Canada—that is, the average wage taken of all industries together. I think that is a far better way of arriving at a figure than to base your pension upon labour.

The CHAIRMAN: I understand you tried to do that in this broken line in the chart?

The WITNESS: No, sir, Mr. Green is asking for the amount of the wage. The chart does not concern amounts at all; it deals with index numbers.

The CHAIRMAN: The average wages in different industries?

Mr. QUELCH: And salaries.

The CHAIRMAN: No. Is not that what the broken line is?

The WITNESS: They are strictly index numbers and are not concerned in dollars and cents.

The CHAIRMAN: The chart shows wage rates; that is what you must have meant.

Mr. FULTON: It shows this from year to year. Whether it is higher or lower it does not show the level.

The CHAIRMAN: As compared with 1935-1939?

Mr. GREEN: I am not asking for a figure compared with any other year; I would like to know the average wage rate in Canada today.

The CHAIRMAN: I suggest that Mr. Rider try to get that from the Department of Labour, and if he thinks there is someone in the Department of Labour who can give us that information better than he can we could have him here at our next meeting.

The WITNESS: That was the figure, of course, for the nine rating industries—the average weekly earnings for November 31, 1947, was \$37.71.

Mr. HARRIS: I do not want to enter into this argument about what basis a pension should be fixed on, but apparently there is such a divergence of opinion it might be a good time to fix the basis again and have some understanding as to how we are proceeding. The other day when I asked for this chart I had something definite in mind, but I am not prepared to make any

deductions yet, although the chairman has indicated one of them. I do ask also, since we have been arguing wage rates, could you make a similar scale or chart relating to the wage rate index? You spoke of that earlier today. Can you do that? Fixing the pension in relation to the cost-of-living index—fixed with relation to wage rates?

The WITNESS: This one fixes it as closely as we can. We can only take one common base on this chart.

Mr. HARRIS: On this chart you relate it to the cost of living; can you do one with the wage rates?

The WITNESS: Yes, we can do that.

Mr. HARRIS: I thought I asked for that the other day. Perhaps you did not understand me. I was not clear what I wanted myself.

Mr. BROOKS: Mr. Harris has mentioned a point which I think is well taken, and that is that we might take some period besides 1925 as a basic time. The standard of living, as we know, in 1920 was different from the standard of living today. There is no need of my going into that to any extent, when we think of electrical appliances and so on. My opinion is that we should fix a basic rate at 1939 and then consider the cost of living from 1939. I do not think anyone here will say that \$75 a month as a basic pension at that time was too high considering the cost of living and the rise in wages. The rise in wages, I think, has been seventy-two point something per cent. The cost of living has gone up from 50 per cent—between 50 per cent and 60 per cent; and I think we as a committee should forget about 1920, 1922 and 1925 and consider whether 1939 would not be a fair year for us to fix a rate to base our increases comparable with the increased cost of living and the increased rate of wages at that time.

Mr. LENNARD: I thought it was understood at the last meeting that that was what we were to do. It was suggested at the last meeting of this committee that it be done.

Mr. HARRIS: Mr. Chairman, I do not want to be misunderstood. My purpose in asking for this information has been, from the beginning, to find out how smart the people were who fixed the pension rates back in 1920 or 1922, whichever we argue about, and how that worked out over the intervening years before the world war, using the cost-of-living index. I was wondering because there may be other factors that would upset what I have to say. You can see by this chart that those people did a rather good job.

Now, if, having come to that conclusion, we jump over here, as the chairman has shown, you will not find very much variation in this chart between the rates now fixed and the similar position back in 1922. There are variations, but they do not appear to be as high relatively under the proposed change as they were in 1922. That is what we want to work out, and if the experience of pensions in the next fourteen or fifteen years is going to be the same in relation to the cost-of-living index as it was between 1922 and 1929, I say that is our decision based on the facts as we get them from these charts.

Mr. HERRIDGE: Based on anticipation.

Mr. FULTON: If you base it on the cost-of-living index alone you are making your compensation simply to give a man a living instead of compensating him for his disability.

Mr. HARRIS: I am not arguing that. We have argued about wage rates and cost of living. I am not suggesting that in my argument. My statement is: let us find out how the pensions have worked out in the past in relation to all these things which some of the members of the committee claim should

be the yardstick. When we have these facts we can argue our own case, whether you say wage rates or employment or cost index or disability.

Mr. FULTON: The Prime Minister said they must bear relationship to the general average of wages and salaries. I take it that was a statement of government policy. I say that in the adjustment made they bear no relation to the general average of wages and salaries and they are away down below it.

Mr. HARRIS: Are you ready to accept the Prime Minister's statement?

Mr. FULTON: I am ready to accept the principle that when you are trying to decide how am I going to compensate a man for a disability you have to accept some level, and as a matter of fact I suggest we use all he is entitled to. The yardstick you are adopting is the general level of unskilled wage rates. I think that is setting it much too low and we find if we accept it as a cost of living we go lower still. I am saying now we should not go below the general level in wage rates and, in fact, we should consider whether we should not go higher.

Mr. MUTCH: Are you not saying in effect that the standard level of potential earnings of veterans of World War II is higher than the standard level of potential earnings of veterans of World War I by virtue of the fact that they came more generally from a greater diversity of occupations and therefore that the general standard of education in the army and the general standard of training and skills in the army is higher, and therefore the yardstick for one army is not adequate for the yardstick to apply to the second one? Is not that what you are saying?

Mr. CRUICKSHANK: Mr. Chairman, I understood you to say the reason for not putting the motion to get out the pension to the veterans was that we are to hear some witnesses. Are we hearing them? Is that right, Dr. Blair?

Mr. BLAIR: That is a matter of opinion.

The CHAIRMAN: Now, are there any further questions you wish to ask of Mr. Rider, because if there are not we could hear from Mr. Melville about these matters?

Mr. HARRIS: Mr. Quelch had a question and I wanted to be clear about it, with regard to this chart.

Mr. QUELCH: The chart should be made on the year 1925 to show what the situation is without having to subtract in the years when those lines fell below that.

The CHAIRMAN: I wonder if we are going to go back there? Would it not be good to go back to the date when the present basic pension was established—1920—and then carry on from there and see what happened, based upon the 1920 line?

Mr. QUELCH: In 1925 apparently we considered that the former one was not fair. At 1925 we had made a certain amount of progress but not enough and we readjusted the pensions. I want to stress the fact that you cannot absolutely ignore the question of employment. This committee has insisted that employment must be taken into consideration because it has insisted upon civil service preference.

The CHAIRMAN: You will notice a difference in 1920 when the cost of living went up much faster than the wage rates, whereas at the present time wage rates have gone up faster than the cost of living. I think we should get the facts before we begin to tie ourselves down to anything. I think both should be taken into consideration. We will try to get some further charts for the help of the committee on Monday. Are there any other questions you wish to ask Mr. Rider? If not, I will call Mr. Melville to give some facts that he has worked out for the help of the committee.

Mr. J. L. Melville, Chairman of the Canadian Pension Commission, called:

By Mr. Bentley:

Q. Mr. Melville, I wonder if you will start out by telling us precisely what form they use to decide the disability of a prospective pensioner?—A. If I understand Mr. Bentley's question correctly it was as to the base on which we assess a disability?

Q. The point at which you start out? Would it be 100 per cent? Tell me what that point is.

The CHAIRMAN: You want an example of a person who would get 100 per cent disability?

Mr. BENTLEY: Yes.

The WITNESS: Mr. Fulton, in his remarks, has quoted from the definition of disability in the Pension Act: disability is defined to mean the loss or lessening of the power to will and do any normal mental or physical act.

When the original Pension Act was enacted in 1919 it provided that the commission would draw up a table of disabilities—a table which would be used as a guide in determining assessment.

By Mr. Bentley:

Q. At this point could the committee have a copy of that table?—A. The table is a confidential document; it has always been so treated. I should like to state to members of the committee how it was compiled. The leading experts in the country were called together—experts on the law of compensation from the various provinces—compensation experts throughout the country—and everyone who could add any knowledge and experience. A great deal of information was also obtained regarding compensation law and procedure in other countries, and as a result of that certain assessments of disabilities were determined. I might answer Mr. Bentley's question by stating that in the case of a man whose amputation is below the knee the compensation is a fixed one of 50 per cent; in the case of a man whose amputation is above the elbow his compensation is 80 per cent; in the case of a man who has lost the sight of an eye and that eye has been enucleated the assessment is 40 per cent. These are what we term fixed disabilities. There are, of course, many others. There are systemic disabilities, for the stomach and so on, and those are dealt with by the commission through medical examinations where called for from time to time. Should the commission consider that a man's disability is likely to change then, following his examination, arrangements are made to call him in for re-examination in a year or two years, whatever the case may be.

In the case of a man suffering from tuberculosis, which tuberculosis has been active and there has been positive sputum, if he has entitlement, the action taken in his case is governed by the provisions of 24-3 of the Pension Act. His disability is assessed at 100 per cent. That disability remains unchanged for a period of two years. That is fixed by statute. At the end of the two-year period he is called in and examined, and if there is an improvement in his condition, that is demonstrated by X-ray and by specialists' opinion—the very best specialists' opinion that the commission can obtain—being from the departmental specialists—the award of pension may be reduced; but it cannot be reduced below 80 per cent; that remains in effect for a certain period not less than six months.

Mr. QUELCH: In setting the point is consideration given to what effect that disability will have upon the type of employment a man may be skilled in? A man, for instance, may lose his arm and his trade was that of a typist; if he had lost his leg and his employment required him to walk he would be for more affected than if he had lost a hand?

The WITNESS: No. The relationship is one of the general labour market. That is the general basis on which the disabilities are assessed.

To finish with the T.B. case. His assessment can never be less than 50 per cent, which means that in the event of his death, for any cause whatsoever, his wife and children, if they are otherwise eligible, are pensionable. Should he have an exacerbation of that condition and is readmitted to hospital, on discharge pension is immediately restored to the 100 per cent level and again the procedure I have outlined goes into effect.

By Mr. Bentley:

Q. There are one or two points not too clear. You say the basis is the general labour market. That means that the standard is the more unskilled in the labour market, the common labourer; is that the basis?—A. I would not say that is the standard. The standard of compensation is the standard set by the Pension Act, and the commission is responsible for assessing disability in the general labour market.

Q. I am trying to get an answer. When you speak of the general labour market you use that as a measuring stick or a norm or something. You start from there for some reason. Is that the unskilled labour market, or does it take into consideration semi-skilled or permanent employees as semi-unskilled? Does it consider artisans? Where is the place you start from? What is the basis you go from?—A. I find it very difficult to answer the question in the manner in which you have asked it. The definition of a disability is as I have quoted it.

Q. I have it in front of me.—A. I realized it. Our responsibility is an endeavour to assess in absolute fairness; in other words, to see that a man is compensated fairly and squarely for the disability which he has incurred as a result of his service.

Q. It has no relation whatsoever to what he might be in the labour market if he were not so disabled? You said at the outset, dealing with the case of an amputation below the knee, that the basis—I think you said—is 50 per cent after the advice of all those people you have called in. Now, an amputation below the knee might be practically no disability at all or amount to anything to a man who is a skilled bridge engineer because he might go on with his profession and build bridges, but it might create a desperate situation for a postman. Where do we arrive at.

The CHAIRMAN: Will you explain how the table of disabilities is arrived at?

Mr. FULTON: I understand the percentage of disability is absolute; it is in terms of physical disability.

Mr. Mutch: Based on 75 dollars.

The CHAIRMAN: The Act is very plain. It means the loss or lessening of the power to will and to do any normal mental and physical act. The table of disabilities is the result of years and years of experience and we have arrived at what seemed to be a fair way of interpreting our responsibility under this Act.

Mr. BENTLEY: I am not trying to be embarrassing; I am not going to be dissatisfied if I do not get a satisfactory reply. I do not know how I can get it, but there is no harm in trying.

Mr. Mutch: Is not this the position? The commission are in a position of assessing a disability not in terms of earning capacity but in terms of percentages and those percentages up to the present are percentages of \$75. The Act says if a man is 100 per cent disabled consequently he is entitled to 100 per cent, and it says that 100 per cent disability is \$75. If he is 50 per cent disabled, you determine the percentage, and the Act then says he shall get not 50 per cent of his earning capacity but 50 per cent of \$75.

Mr. ROSS: How do you arrive at \$75?

Mr. MUTC: From the Act. The Pension Commission did not fix the Act.

The WITNESS: A member of the forces prior to enlistment might have been in a job and earning \$5,000 a year, and we may have another member of the forces, a young lad who was just out of school. They both join up and they have corresponding service and, shall we say, they incurred the same disability: amputation of the leg below the knee; in which case we award the pension, gentlemen, exactly the same—50 per cent.

Mr. GREEN: Is the statement made by Mr. Herwig correct? The pension is based upon the ability of the pensioner in the common labour market? I would like to get an answer to that.

Mr. MUTC: That is policy; that is not a proper question.

The WITNESS: Generally speaking I would say it is correct. It is based on the definition of "disability" in the Act. There are probably 720 different types of occupation in the unskilled labour market. A man may be disabled. It does not mean he is denied the ability to work in one of these 720 types. There are probably 700 types of jobs he can do. There may be only 20 that he is unable to do. Surely, that is correct.

Mr. GREEN: I quite understand that the Pension Commission had nothing to do with the figures that are set in the Act. Mr. Herwig simply meant by his remark that the amount of pension used in the Act is based upon the ability of the pensioner to perform work in the common labour market, and surely we do not quarrel with his statement.

The WITNESS: I did say that generally speaking it was correct.

Mr. FULTON: Do we not have to keep two things clear in our mind; one is assessment of the rates of disability and one is the rate of disability—the percentage of physical disability suffered; and am I not correct in saying there is no relation to money questions at all? It is simply a physical question that is taken into consideration and having assessed that you apply the rate of compensation which at the moment is based on \$75 up to 100 per cent. The two are entirely separate assessments. It seems to me you must keep your percentage of disability quite apart from money matters, and when you come to compensate for disability you have to consider the question of whether the rate of compensation is generous enough.

The WITNESS: That, gentlemen, is the job. The responsibility of the commission is to determine the assessment of degree of disability; the responsibility of parliament, as I see it, is to determine what is a fair compensation for injury and disease resulting in disability and what is fair compensation for death.

The CHAIRMAN: There is one thing to complete the picture. Something was said about multiple disability and some people actually have disabilities that pay up to 200 per cent. Would you tell the committee how you deal with the question of multiple disabilities because I think the committee would like to know that?

The WITNESS: There are, unfortunately, as you well know, gentlemen, a number of members in the forces who suffer from multiple disabilities—very, very serious and very, very grievous injuries. In the assessment of those disabilities the commission assesses each separately. A man has an amputation of the leg below the knee, 50 per cent. He may have enucleation of one eye, 40 per cent; he may have amputation of the arm and that is 80 per cent. The sum total is 170 per cent. He is awarded the maximum pension award which is 100 per cent. Now, in considering that, gentlemen, you must properly look at the matter in this way. Compensation boards and other compensation bodies in determining these disabilities deal with each one separately. Take the man with the loss of a leg. That disability by itself imposes certain handicaps and they assess accordingly.

One man has lost a leg and that is 50 per cent. Another man has lost an eye and that imposes restrictions in certain industries, most definitely. He is blinded to quite a degree on one side. That disability is assessed at 40 per cent. It is felt that is a fair assessment for that disability. If a man has, however, both—say he has an amputation of the arm assessed at 80 per cent and loss of an eye at 40 per cent, the total is 120 per cent and it will be agreed, gentlemen, that there are many occupations in life open to that pensioner. Not that I am detracting in any way or that I would say he should not get the maximum award that is permissible—not for a moment. He gets 100 per cent.

Now the commission has provision under section 26 of the Act whereby we may compensate and grant what is known as a helplessness allowance. There are certain provisions in that section that the commission must bear in mind. First of all a man must be a pensioner. It does not say he must be a 100 per cent pensioner. There are cases of men whose pension awards are considerably less than 100 per cent and who receive helplessness allowance. As the deputy chairman has pointed out to me, we have cases where men are in receipt of 5 per cent pensions, but suffer from total helplessness within the meaning of the Act and the commission has made an award of a helplessness allowance. The second provision is that the pensioner must be helpless. Now we have to determine that fact. The third provision is that the pensioner must be in need of attendance.

Mr. BROOKS: Does his helplessness have to spring from his disability? If he is a pensioner for some other reason does he get an award?

The WITNESS: That was my point; so long as he is a pensioner he may be considered for a helplessness allowance certainly, and his helplessness may arise from a non-pensionable condition.

Mr. BENTLEY: Would it be fair to say that if he was helpless and if the helplessness resulted from his war injuries he would automatically be a 100 per cent pensioner?

The WITNESS: As I have said the first proviso is that he must be a pensioner, the second is that he must be helpless, and third is that he must be in need of attendance. Those are mandatory requirements laid down in the Act. The commission, in considering such claims, has divided helplessness into four degrees. The first degree is that requiring "constant attendance" and a pensioner who requires constant attendance receives the maximum award. As a case in point I would quote the paraplegic, for instance, who suffers from a complete paralysis from the waist down. That paraplegic gets the maximum helplessness allowance which today, as you know, is \$750 per year. The second classification is "almost constant attendance" and you can probably see there are certain cases which come within that classification. In the "almost constant attendance" we have certain cases of insanity, we have cases of severe epilepsy, and we have also cases of any acute or chronic disease confining the patient to bed and requiring almost constant attendance. The third classification we use is "intermittent attendance", that is day and night.

Mr. GREEN: What is paid to the second class?

The WITNESS: I will answer the question in a moment, Mr. Green. The third group is that group requiring intermittent attention during the day and night. In that category we have various cases, some of which I might quote—loss of both arms at the wrist up; double thigh amputations; one arm from the wrist up, and one leg from the ankle; and we have the double amputation less than four inches below the knee. A man whose amputation is less than four inches below the knee is in many respects similar to the case of a man with a thigh amputation. The fourth group consists of those who require "occasional attendance" during the day. In this group we have the blind who receive \$480 per annum.

Now to answer your question Mr. Green, in the second group, those requiring almost constant attendance, the award is \$675. There is a slight differential there.

The CHAIRMAN: There is just one thing, Brigadier Melville, in the case of a person blind in one eye, and having a disability consisting of the loss of a leg below the knee, the total of those two disabilities would be 90 per cent, I think you said.—A. Yes.

Q. Now you give them the total disability added together if it is under 100 percent?—A. Definitely. The award to a pensioner is the sum total of the separate disabilities except in cases where there are certain overlapping disabilities. When I come to those cases Dr. Blair could probably explain better than I can. A man might have some systemic condition, for instance a duodenal ulcer, then he might have some type of nervous condition superimposed upon that ulcer, and the two are probably related.

By Mr. Blair:

Q. Mention has been made this morning of getting statistics from the Workmen's Compensation Board. As I understand the compensation boards they pay on the rate of wages paid to the man at the time of the accident. For instance a man is laid off as a result of an accident and he gets 66 $\frac{2}{3}$ per cent of his wages plus medical attendance—that is in the province of Ontario. The final basis of compensation for injury is based on the wages which the man was drawing at the time of the accident. That is to say, his scale of life is graded from what he was receiving at the time he was hurt, so you have a pretty wide variation there if you are going to take that scale.—A. There is a limitation, Dr. Blair. I think I am correct in stating there is a limitation in the ceiling of wages as used by the compensation boards.

Q. Yes, of necessity there is a ceiling.—A. At the same time, there is no consideration given to his dependents. The compensation boards are dealing with injured workmen.

Q. Well, if a man is killed at his work and he has a wife, she draws a pension.—A. Yes, she draws a pension, but the award to a widow by the compensation board is appreciably below the scale laid down in the Pension Act. It was \$40 per month, in general, for a widow, but may have been increased.

The CHAIRMAN: Now there will be a great many more questions of Brigadier Melville so I would suggest—

Mr. GREEN: The Brigadier did not give the amount paid in the third class, those requiring intermittent attention.

The WITNESS: There are various groups in each class. The loss of both arms is an award of \$575; a double thigh amputation is \$250, and there are varying amounts for varying classes of multiple disabilities who receive the same degree of helplessness allowance.

Mr. BENTLEY: Is it possible to arrange to have the different payments for different disabilities contained in one place? Could they be arranged in one place in the minutes?

By the Chairman:

Q. Is there any objection to this document being tabled?—A. Mr. Chairman, as this is a very important question, and as you did meet the delegation on Monday and you desire to have full information, I will endeavour to make available as complete information as is possible.

Q. You will put it in the form of a table?—A. Yes.

By Mr. Fulton:

Q. Where under the act is the authority which says in the case of the multiple pensioner you cannot pay more than 100 per cent or that you cannot pay him the total percentage to which his wounds add?—A. Schedule "A", I would presume.

Q. Yes, but if his disabilities add to 175 per cent where does it say that he is not to get that amount?—A. Could you show me where parliament has not limited the maximum assessment of the disability to 100 per cent?

By Mr. Green:

Q. Can you give us further information as to a man having a disability of over 100 per cent and yet who cannot qualify for helplessness allowance?—

A. Where the sum total of the separate pensionable disabilities is in excess of 100 per cent and the pensioner is not helpless within the meaning of the Pension Act, he receives the total disability award, namely 100 per cent.

Q. There is no provision made for him to get any additional help?—A. No.

Mr. LENNARD: To go back to the point raised by Mr. Cruickshank, I think the Senate railway committee room is considerably larger than this room and I would ask why it could not be used?

The CHAIRMAN: I will assure the members of the committee that I will try to obtain another room if I possibly can. I am sure that Mr. Burgess has done his best—

Mr. CRUICKSHANK: Yes, but that is not good enough. Let us just move into that room downstairs, our own railway committee room. The Prices committee is a much smaller committee.

The CHAIRMAN: I will speak to the minister about it.

Mr. LENNARD: I suggest that we use the Senate railway committee room which is larger than this room if other arrangements are not possible.

The CHAIRMAN: If we can not get our own railway committee room then we will try to get the Senate railway committee room.

The meeting adjourned to meet again Monday, March 22, 1948, at 11.00 a.m.

Appendix "A"

HELPLESSNESS ALLOWANCE

Degree of Attendance	Disability	Sub. Lt. (Navy) Lieut. (Army) F.O. (Air) or Lower ranks
1. Constant	Total Paralysis from waist down (Paraplegia)	\$750.00
2. Almost constant	(a) Insanity (b) Epilepsy (very severe) (c) Any acute or chronic disease confining to bed and requiring almost constant attendance	\$675.00
3. Intermittent attendance	(a) Loss of both arms (at wrist up)	\$575.00
	(b) Double thigh amputation	\$250.00
Day and Night	(c) One arm (wrist up) one leg (Symes up)	\$250.00
	(d) Double amputation less than 4" below knees	\$250.00
	(e) One thigh at knee or above, one leg at any level above Symes'	\$250.00
4. Occasional attendance during the day	Loss of both eyes or total blindness	\$480.00

NOTE:—The above scale is a guide only. Special cases may be recommended for Helplessness Allowance, but not less than, nor in excess of amounts as authorized in Section 26 of the Act.

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C-415 Veterans Affairs, General
1947/48
(SESSION 1947-48

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 4

MONDAY, MARCH 22, 1948

WITNESSES:

- Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission;
- Mr. W. S. Woods, Deputy Minister, and Mr. E. L. M. Burns, Assistant Deputy Minister, Department of Veterans Affairs;
- Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the British Empire Service League.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., LL.B.
KING'S PRINTER AND CONTROLLER OF STATIONERY
1948



REPORT TO THE HOUSE

WEDNESDAY, March 24, 1948

The Special Committee on Veterans Affairs begs leave to present the following as a

SECOND REPORT

Your Committee recommends that the government consider the advisability of introducing, at the appropriate time, an amendment to Bill 126, An Act to amend the Pension Act, in respect to helplessness allowance to provide that the maximum amount payable to a disabled veteran in any of the classes described in the scale of helplessness allowance, as presently authorized, be increased from \$750.00 to \$1,400.00 per annum, and that the minimum amount so payable be increased from \$250.00 to \$480.00 per annum.

All of which is respectfully submitted.

WALTER A. TUCKER
Chairman.

MINUTES OF PROCEEDINGS

MONDAY, March 22, 1948.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. Walter A. Tucker, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Brooks, Croll, Cruickshank, Dion, Emmerson, Gregg, Green, Harris (Grey-Bruce), Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Moore, Mutch, Quelch, Ross (Souris), Skey, Tucker, Viau, Wright.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, and Mr. E. L. M. Burns, Assistant Deputy Minister, Department of Veterans Affairs; Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.

The Chairman tabled a chart "Annual averages of index numbers for cost-of-living wage rates and employment 1914-1947, (All bases converted to 1925)", which was ordered to be printed as Appendix "A" to this day's minutes of proceedings and evidence.

The Chairman tabled a chart "Purchasing Power of Pension in 1925 Dollars", copies of which were distributed to members of the Committee.

By unanimous consent, consideration of Mr. Herridge's motion of March 16, and Mr. Brooks' amendment thereto of March 19, was deferred and Mr. Harris moved:

That the Committee take under immediate consideration the matter of helplessness allowance and deal with it before the Easter adjournment.

After discussion, and the question having been put, it was resolved in the affirmative.

Mr. Harris moved:

That the Committee recommend that sub-clause 1 of clause 6 of Bill 126, An Act to amend the Pension Act, be amended to provide that the additional amount payable to disabled veterans be not less than four hundred and eighty dollars per annum and not more than fourteen hundred dollars per annum.

After discussion, and by leave of the Committee, Mr. Harris withdrew his motion and substituted therefor:

That the Committee recommend that the maximum helplessness allowance be increased to fourteen hundred dollars per annum.

Discussion followed.

Mr. Brooks moved in amendment:

That the following words be added thereto: *and the minimum to \$480.00 for the existing classes.*

After discussion, and by leave of the Committee the amendment of Mr. Brooks was withdrawn and Mr. Harris amended his motion to read:

That the Committee recommend that the government consider the advisability of amending Bill 126, An Act to amend the Pension Act, to provide that the maximum helplessness allowance be increased to fourteen hundred dollars per annum and the minimum amount increased to four hundred and eighty dollars per annum in respect to the classes of veterans described in the existing scale of helplessness allowance.

And the question having been put, it was unanimously resolved in the affirmative.

Mr. Green moved:

That the Committee recommend that the discrimination as to rank contained in subsection 2 of section 26 of the Pension Act, be removed.

It was agreed that consideration of Mr. Green's motion be deferred until Mr. Herridge's motion of March 16, regarding increases in pension rates, and Mr. Brooks' amendment thereto of March 19, had been disposed of.

Mr. Cruickshank moved:

That the Committee continue its sittings during the Easter adjournment of the House.

And the question having been put, it was resolved in the negative.

At 1 o'clock p.m. the Committee adjourned to the call of the Chair.

A. L. BURGESS
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
March 22, 1948.

The special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. W. A. Tucker, presided.

The CHAIRMAN: I have here a chart prepared as was suggested at our last meeting where everything is on a base period in 1925, and that can appear, if the committee is willing to have it appear, on the record for study by the members of the committee. We also have a graph which was prepared in accordance with the suggestions of various members of the committee, using the cost-of-living index of 1925 when disability pension was finally fixed. It was fixed at the level established in 1921 on a more or less temporary basis. It was finally fixed in 1925. This shows the relative purchasing power for 100 per cent pension in all the years subsequent. It starts in 1925 and shows the purchasing power during the '30s up to the present. We have enough copies to distribute and they will be distributed. There are many requests coming in for hearings before this committee, and I think if possible we should have a meeting of the steering committee today and study these letters and requests and make a recommendation to this main committee at its next meeting. That is all I have to say to the committee now.

Mr. HARRIS: Mr. Chairman, I was thinking on the subject over the week-end, slightly I admit, particularly in view of the criticism which George Cruickshank levelled at me the other day. His point was that in the discussion on basic pensions we were supposed to have heard a lot of witnesses and that people like myself who were not experts have taken up most of the time in talking. Now, I must admit I am not as expert or as well informed as many other members of this committee, but if we are going to discuss the basic pension rate with any degree of wisdom I suggest that we should have an accumulation of graphs and a lot more information and a lot more representations than we have at the present time. I am not prepared to vote on a motion of that kind without a good deal more information and an opportunity to do some thinking on it. I wonder if the rest of the committee or some members of the committee are of the same opinion; because if we go ahead and hear these representations we will use up the rest of the time we have before Wednesday, certainly, and perhaps a good deal longer after the adjournment.

There is one matter before us—and I think we might get it completed before that time—on which I am sure there is almost complete unanimity on the part of the committee, and that is with regard to the helplessness allowance involved in these graphs. Now, I have not before me the Act and I do not know where it is set out in the Act, but after the presentation we had and in view of the special circumstances I wondered if the committee could not reach a conclusion on that one part of our work so as to have done with it and have a recommendation made to the government which would be considered in the interval.

I am therefore prepared to move now that the committee take under immediate consideration the question of helplessness allowances with the hope of dealing with that matter before the adjournment. I think my motion will be seconded by Mr. Langlois.

The CHAIRMAN: As you know, gentlemen, I have taken the attitude in this committee that I am entirely in the hands of the committee. I do not know how many sittings the committee want to hold before the Easter adjournment.

Mr. LENNARD: Mr. Chairman, I will be here until Thursday, so I am not speaking on this point for my own benefit; but I think in fairness to the people who live in British Columbia and eastern Canada, and for all we are doing here and for all the conclusions we are reaching here—we are getting a different chart every morning and we are being confused—I think we should not meet after today just in fairness to those chaps who do want to have three or four days at home.

Mr. BAKER: Mr. Chairman, I suggest that we do deal with the helplessness allowances. As far as the basic pension is concerned, that is a broad subject, and in any case payments can be retroactive; but we will have to get somewhere with these helplessness allowances. I think we are all agreed, and we would be doing something concrete before we go. I agree with Mr. Lennard that everybody cannot remain very much longer and perhaps we would not get very much farther anyway, and the helplessness allowance is a good thing to deal with now.

Mr. GREEN: Now, this is the point you tried to put over the other day; you made the same suggestion the first thing at the meeting on Friday; and it was decided then that we go ahead and deal with the question of the basic pension. Now, for some reason or other we have the same thing before us today: that we sidetrack that and go on with the helplessness allowances. I do not question for a moment the importance of the helplessness allowance and that it has got to be considered and carefully considered; but I am not sure that there is going to be complete agreement as to the figure that may be put up by government members for an increase in helplessness allowance, I suggest that we have a motion before the chair now and that this new motion is out of order.

The CHAIRMAN: As I said to the members of the committee, I have always tried to conduct the committee according to the wishes of members of the committee. If it is the feeling of the committee that this question of pensions will require several meetings before a decision can be reached, and if we are only going to meet today and Tuesday, or only this morning, perhaps, I do not quite know how we are going to proceed. It is quite true that it was the thought I had before that these helpless people have asked for \$1,400—the Legion has asked for \$1,400 extra for them, and the Council of Veterans has asked for \$1,200 for them, but, of course, they asked for an extra \$13 a month, so that it comes up close to \$1,400.

Now, it seems to me that when everybody is so busy this is one thing we might get through and get before the government before Easter, and once we get it before the government there will be more chance of having this helplessness allowance matter start, at least as to point of time, when these people made such a wonderful presentation.

Mr. GREEN: Why do you say that? The helplessness allowance will be part of the Pension Bill. Now, we had decided to consider all amendments to the Pension Act, and the fact that there might be a recommendation passed today or tomorrow is not going to make one iota of difference in the time it takes an amendment to the Pension Act to go through. I cannot see why you try to pick out one part and rush through a recommendation on that question when as far as actual payments are concerned it does not make the slightest difference.

Mr. QUELCH: I do not see any reason for jumping away from the matter we are dealing with into this other subject of helplessness awards. The helplessness award is in addition to the basic pension, and before we deal with that we should decide what the basic pension is going to be and then we are in a better position to judge what the helplessness award should be. It seems to me that you are

putting second things first. We have listened to a good deal of evidence regarding the basic pension and most of us have worked on the matter and come to some conclusions. Now, I suggest that breaking away from that course and dealing with something else is causing confusion. Let us start something and finish it.

Mr. ROSS: I would like to suggest that this motion we have had this morning is out of order. We did have a motion before us and an amendment to that motion. I do not think the people dealing with the motion have any idea of withdrawing. I am sure we are all unanimously agreed that there must be an increase in helplessness allowance, but still I believe you are confusing the whole business for some purpose this morning, and you are strictly out of order. Surely we can get on with this basic rate business as we have a motion before the committee.

Mr. HARRIS: Mr. Chairman, may I speak to the motion? Remember that the art of politics is the art of the possible, and any recommendations we make are bound to be considered by the cabinet, as we all know. I do not see how we can agree on the basic rate very quickly. I may be wrong in that, but I do think that there will be a protracted debate on it. On the other hand, the sooner we feed to the cabinet conclusions on those things that we can and the sooner we get them bounced back to us with their approval or disagreement, which we can knock down if we choose to do so, the better. My point was entirely that the procedure is entirely in the hands of the committee, and my motion was not with regard to the amount of the helplessness award; it was a procedural question, that we take into consideration that question, and then after that motion is carried, if it is, I am prepared to move an amount and hope that we can settle that question today and get it to the cabinet so that we would know where we stood later on.

Mr. BROOKS: Mr. Chairman, I agree with Mr. Green in what he said. We started out first with the idea that we must get through the pension amendments in order to get the cheques out. We started to do that, and then nothing further could be done on account of time. We decided to call witnesses and get evidence to substantiate what we might do. I would like to ask the chairman if he thinks that we should deal with the helplessness allowance without also having witnesses before us and hearing evidence. We cannot come to a conclusion as far as helplessness allowances are concerned any more than we can as far as pensions are concerned unless we hear more evidence. Frankly, I do not understand why we do not take the bill now and go through with it as the bill is going to be considered as a whole. I do not think the government has any intention of considering any particular part of it, and if they did there would be no definite results unless the bill as a whole has passed the house. I think we are just jumping around, as someone has said, from one thing to another and that course is not going to get us anywhere.

Mr. WRIGHT: May I point out that you brought the bill in or suggested that we bring the bill in, and when we proceeded to deal with the bill you started to jump from one clause to another clause in the bill. I think our proper procedure is to deal with the bill as it is. That was the intention of the committee before and I think it still is their intention.

The CHAIRMAN: This is a clause that is suggested by Mr. Harris. It is section 6 of the bill and the one that deals with the schedule is the last section of the bill.

Mr. GREEN: We had a motion on Friday which was accepted by this committee that we deal with the schedule and we were dealing with the schedule.

Mr. HARRIS: There is no motion.

Mr. GREEN: Mr. Fulton made a motion that we deal with the schedule and we were working on this schedule; the witness is only half-way through his submission. Why cannot we get along and finish that?

The CHAIRMAN: As I understand the matter, Mr. Harris has in mind dealing with section 6, thinking it will not take more than today, and then going back to the basic schedule. In other words, we would get something before the cabinet before we leave for Easter.

I may say that I am getting letters and all kinds of representations that this wonderful presentation we received from the paraplegics and from the blind and so on should get some concrete recognition ahead of the ordinary pensioner who is not helpless, and that something should be done before Easter to show them that their representations got sympathetic attention. I think from what has been said that this is a matter that can be dealt with early and speedily, and we can come back and have another sitting on the basic pension before we adjourn. But this is something we can get before the government. As has been pointed out, the government has to make the final decision.

With regard to hearing further witnesses, I have talked with members of the committee and they feel quite satisfied that the suggestion of \$1,400 helplessness allowance for a man who is totally helpless and needs an attendant night and day is not too large. I talked to many, and that was pretty well the opinion of the committee.

Mr. GREEN: What do you mean by talking to many? We have a steering committee in this committee. Why should you do these things?

The CHAIRMAN: I cannot help talking to members.

Mr. BROOKS: That is what causes all the trouble; you talk to someone else and you do not talk directly to the people to whom you should talk.

Mr. CROLL: This seems to me to be of some importance. There is a difference of opinion on the basic pension. From remarks that were made at the meeting before last I think there is an idea in mind of some members of the committee that perhaps we are entirely wrong in the method in which we set the basic pension. At least, the questions were directed that way, and that is the opinion I got from the questions. Now, I think it is important to get across to the government one thing that we might be agreed on here today. Do not forget that the original pension settlement was made before we went home for Christmas and when we came back after Christmas there was a change in the pension—an increase. Now, I think there is a very solid suggestion that we ought to go beyond that, and there is a good strong opinion in the committee on that. It seems to me that if we can place before the cabinet some opinion of this committee with respect to helplessness allowances to show what we actually think there ought to be—and the chairman has suggested \$1,400 with which I thoroughly agree—now, if we get them to mull over that in the interval it will, perhaps, affect their thinking on the basic pension, which is the more important thing, and perhaps we could go far enough then on that; and if we make a recommendation they could give it more consideration than ordinarily; and an increase of the helplessness allowance being of such urgent importance, by such an increase we will, of course, get down to the basis as to how much a man needs who is in that helpless position. If we reach that conclusion and our recommendation is \$1,400 and it is backed up sufficiently, I think if it is necessary we can make inroads with respect to pensions.

Mr. BROOKS: Do you think they are going to send out cheques for helplessness allowances before this bill is passed?

Mr. CROLL: No.

Mr. BROOKS: What is the practical advantage of it?

Mr. CROLL: Let us not lose sight of the important thing. I am not particularly concerned at the moment as to when the cheques are going out so long as they are ample when they do go out. It is not going to make so much difference whether the soldiers get an extra cheque now or two months from now, so long as we fix a firm basis once and for all; and we may have to reconsider

the whole basis of the Pension Act. I think it is worth while that we should do this, and it is our duty to do it; and this helplessness allowance may be a guide to us, and certainly to the cabinet who will see our unanimity of opinion if we agree on it.

Mr. GREEN: This is simply an attempt to sidetrack the basic pension question, and the main job before this committee at this session is to decide on the basic pension. That affects thousands and thousands of veterans, and that is the point we have got to settle. I would hope we could agree on a recommendation, or if we cannot agree, let us vote on it and decide what the majority of the committee want on this question of basic pension and give the cabinet time to consider it over the Easter recess. That is what we want. That is the main issue. We should not try drawing a red herring across the track. The main issue is whether there is to be an increase in the basic pension over the figure announced by the government.

The CHAIRMAN: I do not think it is right to say that because a man makes a suggestion in good faith in regard to these helpless people that he is drawing a herring across the track.

Mr. GREEN: In my opinion that is brought in as a red herring; you have a motion before you today and you have no right to drop consideration of that motion.

The CHAIRMAN: I have an opinion from the clerk that the motion of Mr. Harris is a procedural motion and that an amendment to the amendment is in order. I propose to entertain that as an amendment—that we consider this question of helplessness allowances. It is the opinion of the clerk that this question is in order.

Mr. GREEN: The clerk's opinion is not a deciding factor.

The CHAIRMAN: I agree that it is in order, and unless the committee disagrees I am going to say that the amendment to the amendment—this helplessness allowance matter is dealt with in section 6—is in order.

Mr. BENTLEY: I want the committee to give some thought to something else. We had two main representations—from the Legion and from the Council. The Legion recommended a 25 per cent increase in basic pensions and a \$1,400 allowance as a helplessness allowance; the Council recommended a 33 $\frac{1}{3}$ per cent increase of the basic pension and \$1,200 helplessness allowance, so far as those people who are completely helpless and receive the allowance are concerned. That arrives at somewhere about the same figure—

The CHAIRMAN: About \$1,400.

Mr. BENTLEY: There are fewer people actually completely helpless than there are on 100 per cent pension, are there not? I think Mr. Melville gave us the exact figures; I do not remember. What I am wondering about is this: if we go ahead and deal with the amendment to the amendment as proposed by Mr. Harris, and supposing it was the consensus of opinion of this committee that we accept the Legion's recommendation and in turn recommend to the government that \$1,400 be the helplessness allowance, would that prejudice our position to recommend—to agree to recommend—the Council's submission of 33 $\frac{1}{3}$ per cent increase in the basic rate of pension? I see several heads nodding, but, gentlemen, in the short time I have been in parliament I have discovered that the government has weird and wonderful ways of doing things.

The CHAIRMAN: Would you not include all governments in that?

Mr. BENTLEY: I am not going to blame this government only for that, but this is the only government I have seen in operation. Had I been here when some other government was in power I might have recognized the same procedure; but certainly that is it; and there would be a great tendency, I am afraid, for the top flight men in the government to say, "You people have recommended, and we finally agree to a recommendation given to the committee by one veterans'

organization; then, in all fairness, you should not recommend a higher rate in some other payments recommended by another veterans' organization". Now I do not want to get into that position, because I believe both these higher amounts are necessary; and I will have to have a lot of evidence from competent people to advise me otherwise. I do not want to be placed in the position of recommending today or before Easter \$1,400 allowance for helplessness and find that that almost automatically cuts us down to a 25 per cent increase in the basic rate of pension.

Mr. HARRIS: I just want to say that nothing was further from my mind, and I am sure no one in the committee would want to bind in the future any one of his fellow members by the taking of this vote. I do want to say also to my neighbour here that he has never known me to draw red herrings before and I assure him that is not the case now.

Mr. QUELCH: Mr. Chairman, I want to register a very strong protest to this procedure. I have never known this procedure to be adopted by any previous Veterans' Affairs Committee. You are proceeding to disregard the steering committee entirely. In between the last meeting and this meeting this morning you have had some kind of a caucus among the Liberal members and you have decided upon this procedure without consulting the steering committee. The result is that the Liberal members have come here today prepared to discuss these helplessness allowance awards. No mention of the matter has been made to the other groups and if you are going ahead that way I would suggest that you are dispensing with the steering committee.

Mr. HERRIDGE: Your consideration of this amendment to the amendment is the most unparliamentary procedure I have known for a good long time. I do not see how anyone can turn Mr. Harris's motion into an amendment to an amendment. It does not amend the main resolution in any sense whatever but it defeats the purpose of both.

The CHAIRMAN: The matter can be discussed on either ground, and on either ground I am satisfied it is in order. It was moved by Mr. Herridge "The committee recommend the amounts set forth in schedules 'A' and 'B' of the Pension Act be increased by 25 per cent."

Mr. Brooks moved an amendment to that motion, striking out all the words after "that," and substituting for those words "this committee at the present time consider only section 13 of Bill 126 and schedules 'A' and 'B' ". The effect of Mr. Brooks' amendment to the motion was that we should consider only section 13 and the schedules. Now Mr. Harris moves amendment to the amendment that we consider section 6 of section 13—the question of the helplessness allowance. If the amendment to the original motion was in order then, surely the amendment to the amendment that we should consider section 6 ahead of section 13 is in order. I think everyone will agree with that. It seems to me very clear, and I think it should also be clear to anyone wanting to be fair, that if you can move an amendment to Mr. Herridge's motion that everything be struck out and that we should consider section 13 first, surely you can move an amendment to the amendment that we should consider section 6 before section 13.

Mr. Herridge's motion, and I will read it again, was "That the committee recommend the amounts set forth in schedules 'A' and 'B' of the Pension Act be increased 25 per cent." Mr. Brooks moved an amendment to that motion that all the words after the word "that" be struck out and the following substituted therefor: "This committee at the present time consider only section 13 of Bill 126 and the schedules 'A' and 'B.' "

Mr. BROOKS: But you would have to consider section 13 under Mr. Herridge's motion?

The CHAIRMAN: I can only take it, Mr. Brooks, the way it was moved. Now you made a motion or an amendment to the motion.

Mr. GREEN: You have not read Colonel Brooks' amendment the way it was put.

The CHAIRMAN: I understood he recommended it in that form. I will read it.

Mr. GREEN: Yes, read it.

The CHAIRMAN: All right. "All the words after the word 'that' in line 1"—that is the whole motion made by Mr. Herridge—"be struck out except the first word 'that' and the following be substituted therefor: (1) this committee at the present time consider only section 13 of Bill 126 and schedules 'A' and 'B' thereto.

"(2) This committee recommend schedule 'A' of Bill 126 be amended to provide as follows: (a) 'that the basic rate of pension is \$1,200 for the following ranks'—" and so on.

Mr. GREEN: Read the rest of it.

Mr. BROOKS: I do not think it is necessary to read it all.

The CHAIRMAN: Mr. Harris moves as an amendment that we consider this morning section 6.

Mr. BROOKS: I do not think it is necessary to read it at all.

The CHAIRMAN: Mr. Harris moves as an amendment that we consider this morning section 6.

Mr. BROOKS: That is something entirely different.

The CHAIRMAN: If your amendment to the motion is that we only consider section 13 surely an amendment to the amendment that we consider another section ahead of your section is in order. I am not asking the committee to vote for this sub-amendment but I say it is clearly in order, and when something is said about going back on the recommendation of the steering committee I say this recommendation of Mr. Brooks is not based on the recommendation of the steering committee.

Mr. QUELCH: No, but in between the meeting of the steering committee and today there had been a meeting of the whole committee which had decided upon a certain procedure.

Mr. HARRIS: No, it did not.

Mr. QUELCH: The whole committee decided on the procedure and now you are introducing a different procedure entirely.

The CHAIRMAN: I have the actual decision of the steering committee here which I will read in a moment. Now if we are going to get along we must—

Mr. LENNARD: We would have got along very nicely if you had referred this to the steering committee.

The CHAIRMAN: Perhaps so, but here is what was recommended and adopted by the steering committee. "That the next meeting of the committee be called for Monday March 15th, at 10.30 a.m. (2) That representatives of the Canadian Legion and of the National Council of Veterans Associations in Canada be heard at the Monday meeting. (3) That officers of the Canadian pension committee and of the Department of Veterans Affairs be heard on Tuesday, March 16.

"On motion of Mr. Mutch: resolved,—that the first report of the steering committee be concurred in."

Subsequent to that a motion was moved by Mr. Herridge and an amendment was made by Mr. Brooks, and now an amendment to the amendment is made by Mr. Harris.

Mr. GREEN: In between those occurrences we took it for granted that we would consider the schedule and we went ahead and heard evidence.

Mr. BENTLEY: Have you got the other minutes, the minutes of the second steering committee meeting?

The CHAIRMAN: The clerk tells me the only decision made at that meeting was that the full committee should meet on Friday at 11 a.m.

Mr. BAKER: I am just speaking for myself, as a member of the committee. I am not prepared to vote on what the percentage increase should be in the basic rate of pension. I do not know enough about the matter but I do think, judging from what we have heard today that we can be more unanimous in a decision regarding the \$1,400 helplessness allowance. I am all for asking for the maximum. I think the committee should be able to get somewhere on that and it is merely to expedite matters rather than to hold things up that the motion is before us.

Mr. GREEN: How does it expedite matters?

Mr. BAKER: We can put it before the cabinet.

Mr. GREEN: We cannot get the cheques out until the bill is passed.

Mr. BAKER: I do not see how we can come to any decision regarding the basic pension rate before Easter.

Mr. Mutch: Well, quite apart from the cabinet, Mr. Chairman, and also apart from anybody else—other than the veterans—I think I am on common ground with everyone when I say that we came away from the larger committee, after these people made their presentations, very much impressed with the necessity for doing something. It is quite true, as Mr. Brooks has suggested, even though we unanimously agree on a sum for these various people, that they will not get the cheques until the bill is through. However, there are some things in life which are almost equal in value to money. I think, if I was sitting in one of those chairs or wandering around in the dark, that I would be happier in knowing the representations made on my behalf had fallen upon sympathetic ears. I would be happy to know there was a group of people, namely this committee, who were now prepared to advocate further consideration and greater generosity. I assume that we can, in a short time, come to an agreement with respect to that item, and if I was one of those helpless veterans I would not care very much whether this committee had violated procedure. If it is possible for us to send out a message of cheer to those boys, then I for one would like to have some part in that action.

Mr. CRUICKSHANK: Supposing for argument's sake, we vote on this amendment to the amendment and it is carried can we come back to our original motion?

The CHAIRMAN: Of course.

Mr. CRUICKSHANK: Then can we put our motion and go on with it?

The CHAIRMAN: That is the suggestion made by Mr. Harris.

Mr. CRUICKSHANK: I see some nodding heads and I would like to know, apart from these so-called experts, whether if we approve the amendment to the amendment as moved by Mr. Harris that it shall be \$1,400—he did not quote the figure but that can be inserted—if we vote in favour of that amendment can we go back to the original motion?

The CHAIRMAN: In answer to your question, if you will permit me to reply, the moment that this amendment to the amendment is disposed of, if the committee wants to consider the question of the basic pensions it can do so.

Mr. BROOKS: If the amendment to the amendment is carried does not that automatically defeat the first amendment and defeat the motion?

Mr. LENNARD: Certainly.

Mr. CRUICKSHANK: There is nothing in the world to prevent me from immediately removing my motion.

Mr. Mutch: Yes, but on that point I would like to be sure myself. I understand that whereas the amendment to the motion struck out the motion

and substituted something else in its place, the amendment to the amendment does not attack the principle of Mr. Brooks' amendment. Is it a substitution in point of time only as to what shall be considered first? As I understand it, and I think you should rule on that, Mr. Chairman, if Mr. Harris' amendment carries and we take whatever time is necessary to come to a decision on the amendment to the amendment, providing it carries, we would automatically be back to Mr. Brooks' motion.

The CHAIRMAN: That is my understanding.

Mr. MUTCH: If it were otherwise, and if the amendment to the amendment were carried, there would be no point in a vote on either the motion or the first amendment.

The CHAIRMAN: Once section 6 is disposed of we can come back to the original question.

Mr. SKEY: If we vote on Mr. Harris' amendment do you intend to call witnesses to go through the whole procedure or are we going to vote on the matter immediately?

The CHAIRMAN: I am in the hands of the committee with respect to that matter but from what I have heard it looks as if the committee feels that there has been sufficient evidence placed before it.

Mr. SKEY: Well let us vote on the amendment to the amendment, pass it, and get back to the other question.

The CHAIRMAN: Well, I will rule the sub-amendment is in order and if there is no objection I will declare it carried. Mr. Harris has stated no exact figure but we can discuss that question.

Mr. GREEN: If you are going to force this thing through it had better be done as a procedural motion and not as an amendment. Then the other two—the motion and the amendment—will stand.

The CHAIRMAN: I am willing to have it that way if it is the wish of the committee. It is my understanding that we are to discuss this question of section 6 and then go right back to Mr. Herridge and Mr. Brooks' motion. If it is satisfactory to the committee to do that, we will entertain a motion from Mr. Harris on this question which revolves around section 6 and the helplessness allowance. When that matter is disposed of we will go right back to the basic question of pensions.

Mr. ROSS: Is this a distinct motion procedurally separate from the other motion?

The CHAIRMAN: It is, if it is the wish of the committee.

Mr. ROSS: That does not bar us from having evidence on the other matters.

Mr. MUTCH: We can only deal with it as a procedural motion I think, and my point is that it must not interfere with the other two motions.

The CHAIRMAN: Then, it is agreed, is it?

Mr. HARRIS: I move then that we advise the government that it is the opinion of this committee that the figures in sub-paragraph 1 of section 6 in present Bill 126 should read \$480 instead of \$250, and that the figure now shown as \$750 should read \$1,400. Now there was some doubt in my mind as to the minimum amounts that should be allowed. You will find that \$250 is one-third of \$750, and \$480 is roughly one-third of \$1,400.

Mr. GREEN: Well, you see, Mr. Harris' recommendation is in the amount suggested by the Canadian Legion submission, but his motion has the effect of leaving out one section of this bill and putting a recommendation through to the House that one section be passed. I suggest that situation is absurd; it is an absurd way to handle the matter and I wonder why he does not say that this committee is of the opinion the recommendation No. 2 of the Canadian

Legion brief should be accepted by the government? What he is doing is omitting half of the recommendation and passing the other half. Surely that is not the way to handle the matter?

The CHAIRMAN: The Legion said that there should be \$1,400 paid, over and above the 100 per cent disability pension in the case of total disability, and naturally they had in mind the bringing of the allowances for the various ranks to the same level. If this new amendment is passed I think it could be worked out satisfactorily and a decision could be made as to what should be paid to the higher officers and how much should be paid in cases of partial helplessness.

Mr. HARRIS: I was going to be quite technical and, with the bill in front of us, I was changing the wording.

Mr. SKEY: I suggest we call a vote.

Mr. GREEN: Well, I want to find out exactly how the amendment reads. Is Mr. Harris moving that we are of the opinion recommendation No. 2 of the Canadian Legion brief should be adopted? That recommendation reads as follows: "The maximum helplessness allowance be increased to \$1,400 to offset the rising cost of living, and that anomalies resulting from differentiation in rank be removed."

The CHAIRMAN: I understood your motion was to the effect, Mr. Harris, that the helplessness allowance be increased to \$1,400.

Mr. HARRIS: That is right.

Mr. BENTLEY: Mr. Harris also mentioned bringing the minimum from \$250 to \$480.

The CHAIRMAN: Reference is made in the bill to the higher ranks because when you raise the pension—the basic pension for people below the rank of captain—you must raise the helplessness allowance payable to colonels and majors so that they will receive as much as lieutenants, captains, and privates. As I understand it, Mr. Harris is moving that we raise the ceiling to \$1,400. Now you remember that the Council of Veteran Associations suggested \$1,400 be paid in addition to the 100 per cent pension to everyone, regardless of their rank.

Mr. McKAY: The figure was \$1,200.

The CHAIRMAN: Yes, I am sorry, \$1,200. In other words, the old principle which has been contained in this bill for twenty years should be departed from, and that the figure should be levelled off for all ranks. The Council of Veteran Associations suggested that we add \$1,200 to the pension of everyone regardless of rank. That of course would give a brigadier much more than it would give a private. There is a great difference of opinion on that very point. Now in this bill, you have brought the helpless brigadier up so that he will get the same as a helpless private. The Council of Veteran Associations contends that you should not deal with the problem that way at all and that you should give the same helplessness allowance to the brigadier as to the private, which means that the brigadier would get the benefit of his higher pension. Now the idea behind the Legion brief was to raise the top ceiling to \$1,400 and when they used the expression "anomalies of rank be removed" I understood them to mean that the brigadier would get the same as the private. I understood that was their suggestion.

Mr. BENTLEY: You are speaking now of subsection 2 of section 6 of the bill?

The CHAIRMAN: I am speaking of what the bill was designed to do.

Mr. BENTLEY: Well with reference to Mr. Harris' motion you will notice that in section 1, line 13, it says "in the discretion of the commission not less than two hundred and fifty dollars per annum—." Mr. Harris changes that amount to \$480 but the words in the Legion brief "that the anomalies of resulting from rank be removed" do not appear.

The CHAIRMAN: Mr. Harris is trying to make an amendment to the actual bill. The committee suggested, and Mr. Harris agreed, just to make a recommendation that the helplessness award be \$1,400.

Mr. BENTLEY: What assurance would we have that the minimum would be raised to \$480? It does not say that in the Legion suggestion.

The CHAIRMAN: It would follow because the anomalies of rank would be removed.

Mr. BENTLEY: I am talking of subsection 1 of section 6. Mr. Harris recommended two changes, first that the award of \$250 minimum be raised to \$480, and secondly that the maximum amount be raised to \$1,400. The next section, subsection 2 deals with the anomalies resulting from rank. I am not objecting to correcting the anomalies resulting from rank but what I am suggesting is that in his motion he should not allow the figure of a minimum of \$480 to be dropped from the motion, which is what would happen if he used the Legion wording. The \$480 minimum does not appear in the Legion brief.

The CHAIRMAN: As a matter of fact, I think that it would be a good thing to leave some elasticity in this matter which might be useful to the pension commission in administering the Act. There may be people whom the commission think should get some benefit from the section, perhaps \$20 a month, but the commission might feel that such a case might not be entitled to as much as the minimum of \$480 and therefore would give no award. I think if we raised the ceiling it would give quite a bit of elasticity to the pension commission and might result in help being given to people who otherwise might not receive that help.

Mr. BENTLEY: You are suggesting that we leave the lower figure at \$250.

The CHAIRMAN: Yes.

Mr. GREEN: Well this is what you get from these smart moves. This section 6 is based on the figures announced by the government as an increase in the basic pension and section 6 is only designed to fit in the helplessness allowance with the new basic pension. That is the whole purpose of section 6. Now you are coming along and you are suggesting that we recommend the whole method of deciding the helplessness allowance be changed and that the commission be given the entire discretion in the matter. I suggest that may or may not be a good thing. That discretion might react to the disadvantage of the veteran who might find himself put in a lower category when he would really be entitled to be put in a higher category.

In any event, that particular feature has to be carefully considered by this committee before we make any recommendations. Your amendment is failing entirely to meet the anomaly to which the legion referred. That anomaly was that a lieutenant-colonel lying on his back, totally paralyzed, is discriminated against as compared with the other colonel. That is the anomaly they are hitting at.

This particular provision in the Pension Act is the only place where there is discrimination of that kind against rank, and for some reason or other that discrimination is against the helpless senior officer. The senior officer who is not helpless is not discriminated against, but because of the wording of this particular Act at present the senior officer who is helpless, hopelessly disabled, is discriminated against. That is what the Legion is hitting at. In his amendment to-day Mr. Harris has very carefully side-stepped dealing with that issue because the Legion's recommendation was that maximum helplessness allowances be increased to \$1,400 to offset the rising cost of living, and that anomalies resulting from differentiation in rank be removed.

General Price went on to say:

Experience has shown that even without the increased cost of living the present helplessness allowance is hopelessly inadequate in many

cases. The Legion is particularly concerned about the totally incapacitated pensioner who needs constant attendance and care. In this class Canadian pension rates are not the highest in the world. The United States pays as high as \$360 per month for certain types of disabilities. The Legion suggests a minimum of \$2,400 per annum for this type of case, covering both pension and helplessness allowance. This is a small group, and so the total amount involved will not represent a very great drain on the country's resources, but in view of their condition it is a most important one, which should be looked after, as with their helplessness the increase in the cost of living is lowering their standard of living—in some cases below bare subsistence—which we are trying to avoid. We note that the bill partially removes the anomaly as set out in the table in our brief, but we wish to register our objection to the principle, in granting helplessness allowance, which does not observe the differences for senior ranks as set out in the original pension. The same factors that make the higher pension necessary apply in the case of a senior officer who is in the situation requiring helplessness allowance.

The CHAIRMAN: Is that from the Legion's brief?

Mr. GREEN: It is from the proceedings of this committee.

The CHAIRMAN: Is it the Legion brief?

Mr. GREEN: Page 11. Then at page 52 General Price explained that. I guess at page 52 it is from the brief. It is a copy of the brief.

Rising costs make the present rates of helplessness allowance inadequate especially where help must be paid. It is no longer possible to secure help at a wage that the pensioner can afford to pay. The maximum helplessness allowance payable to single pensioners below the rank of captain is \$62.50 per month. Under the new rates proposed by the government a totally disabled pensioner requiring helplessness allowance would receive approximately \$1,800 a year. This is insufficient for a single, incapacitated pensioner to secure the help he needs and live as he should.

Helplessness allowance is paid to pensioners below the rank of captain (army) according to determination of need by the Canadian Pension Commission, at a rate of not less than \$250 per annum and not more than \$750 per annum. For higher ranks helplessness allowance is reduced accordingly. An example of how the new pension rates, plus helplessness allowance affect the higher ranks is indicated hereunder:

Basis—100 per cent.

The CHAIRMAN: Where are you reading from?

Mr. GREEN: Page 52.

Basis—100 %		Proposed New Rate	
		Monthly Pension	H.A.
Below			
Captain (Single)	.....	\$ 87 00	\$62 50
Captain (Single)	.....	87 00	54 16
Major (Single)	.....	105 00	32 50
Lt.-Col. (Single)	.....	130 00	7 50
			Total
			\$149 50
			141 16
			137 50
			137 50

That means that a lieutenant-colonel gets \$12 less than ranks below that of captain. Then the Legion go on to say:

The anomalies are obvious.

That is what they meant when they referred to anomalies. I will move an amendment to Mr. Harris' motion that we advocate that the government accept the second recommendation in the Legion brief.

Mr. CRUICKSHANK: I think that is what Mr. Harris moved.

Mr. GREEN: No, he left out the last part.

Mr. CROLL: Will you add these words, please—

The CHAIRMAN: Let us try to get clear on what we are getting at. I understood the Legion brief was suggesting that the anomalies be ironed out by seeing to it that the higher officers got the same in total as a captain or a private, but as you interpret it they may not be in agreement with the Veterans Council that helplessness allowance should be added to the basic disability pension, so that a brigadier would get more than a private, a lieutenant or a captain. If the Legion intended to agree with the Council of Veterans on that I was under a misunderstanding about it because I thought they were satisfied with the basic principle of the Act, that the higher officers should be brought up to the same level as privates, lieutenants and captains, but I understand you think they meant to say that the helplessness allowance should be added on to the basic pension, whatever it was. Is that your understanding?

Mr. GREEN: Unfortunately I could not be here when they submitted their brief, but I know for several years there have been complaints about that anomaly, complaints about unfairness to the totally disabled colonel as compared with the colonel who is only partially disabled. He gets a pension on the basis of rank, and the colonel who is flat on his back does not. For example, Colonel Hay is a paraplegic and was wounded in this last war very, very seriously. He cannot get his helplessness allowance on the basis of a colonel, but the other colonel who was not so seriously wounded does get a higher rate of pension. The unfairness as between men is between men of the same rank. That is what the Legion are hitting at.

The CHAIRMAN: Let us clear this up.

Mr. CROLL: Let us see what Mr. Melville says on that.

The CHAIRMAN: Mr. Herwig is here. He might tell us what the Legion intended to ask for because I think they could not have asked for what Mr. Green has said unless I misunderstood them.

Mr. HERWIG: Mr. Chairman, General Price in his remarks did refer to the anomalies regarding rank in a different sense than what it is in the brief. There is no doubt that he did. He himself feels quite strongly about that. He feels that this levelling up of the income of a brigadier to that of a private is not quite the thing to do, but the original brief as it is printed as an appendix does not contain that recommendation. General Price did make that point.

The CHAIRMAN: I suppose the original brief represented the considered opinion of the Legion?

Mr. HERWIG: That brief was prepared as a result of resolutions passed by various provincial commands and conventions.

The CHAIRMAN: Is it clear what the situation is?

Mr. Mutch: It is my own recollection that when General Price presented the brief he presented the brief of his organization but gave it as his own opinion that the organization did not go quite far enough.

Mr. GREEN: You cannot take that from it. Mr. Herwig is not meaning to repudiate his chief.

Mr. HERWIG: That is not the proper interpretation because in the 1946 committee we did ask that pensions be paid according to rank.

The CHAIRMAN: Why then, Mr. Herwig, did you not represent that in your considered brief? I took it you were satisfied, if \$1,400 was made the top level, to have everybody brought up to that height. That is what I took from your representations.

Mr. HERWIG: I think we should make it quite clear that when General Price speaks for the Legion he speaks for the whole Legion and not himself.

He was presenting the brief. Those were his remarks in connection with the brief. I do not think we should try to separate what he said.

Mr. MELVILLE: I think I can help the situation. When the Legion submitted their brief they did not have before them the draft of the proposed Bill 126. Therefore the Legion did not know that in section 6, subsection 2, of that bill there was provision made to remove the very anomalies which the Legion mention in their brief. That is the first point.

I think the second one is, of course, that during the course of the debate General Price was asked the question and did state that if the higher ranking officers could get the same as the others then he personally had no objection.

Mr. GREEN: It was not a question. It is right in his statement at page 11. He read his brief. There is his statement. It was not anything that came out on the basis of a question. That is his statement. The bill was through second reading and available before General Price made his submission. You cannot say he did not know what was in the bill when he made his submission.

Mr. MELVILLE: I would not argue for one minute against any member of the committee or the Legion, but the Legion brief does say that the award of helplessness allowance to a lieutenant-colonel is \$7.50. That is the award as provided in the Pension Act today. In the bill which is before you for consideration the proposed award of helplessness allowance to a lieutenant-colonel is \$234. In other words, the draft bill equalizes on the same basis as exists in the Pension Act today. It equalizes in so far as the sum total of total disability pension and helplessness allowance is concerned.

Mr. GREEN: He is still cut down on the helplessness allowance. In other words, you have got a colonel with a 100 per cent disability who is not entitled to helplessness allowance. He gets paid on the basis of his rank. What happens to a colonel who is totally disabled and also totally helpless? What is he going to get over and above his colonel's pension?

The CHAIRMAN: Would you give the exact figures on that so the committee will have it very clearly. First of all take a 100 per cent pensioner who is a colonel and tell us what he gets at the present time, and what it is proposed he should get under the bill. Then that will make it clear.

Mr. MELVILLE: A lieutenant-colonel who is totally disabled receives a total disability award of pension of \$1,560 per annum. That will be found in schedule A of the Act.

Mr. GREEN: Is that on the new rate?

Mr. MELVILLE: That is the Act today. I am speaking about the Pension Act as it exists. If that officer is totally helpless and in need of attendance, in accordance with the provisions of section 26 (2) of the Pension Act, an award of helplessness allowance to him is provided for in the Pension Act today of \$90 per month. In other words, the sum total of total disability and helplessness allowance is \$1,650.

Mr. GREEN: That is a year or a month?

Mr. MELVILLE: A year.

Mr. GREEN: You said \$90 a month?

Mr. MELVILLE: Ninety dollars a year helplessness allowance. I beg your pardon if I so stated. With regard to the bill which is before the committee—

Mr. GREEN: That means under the present Act a colonel who is not totally helpless gets \$1,560 and the colonel—

Mr. CROLL: \$1,650.

Mr. GREEN: \$1,560, and a colonel who is helpless gets \$1,650. He gets \$90 more.

The CHAIRMAN: To make it clear to the committee, that is to bring him up to the same level as a private or lieutenant who is totally helpless.

Mr. GREEN: No, no—that is the basis.

The CHAIRMAN: That is basic. In other words, I think the idea was to bring everybody who was totally helpless up to a total income of \$1,650.

Mr. MELVILLE: I was going to make that clear. The award to all ranks up to and including that of lieutenant in the Pension Act today for total disability is \$900 per annum. The maximum award for helplessness allowance to all ranks up to and including that of lieutenant, as found in section 26 (1) of the Pension Act, is \$750 per annum. Therefore the total of total disability pension and maximum award of helplessness allowance is \$1,650. It is exactly the same in the case of the lieutenant-colonel, and intermediate ranks are adjusted on the very same basis. With regard to the bill before the committee, the award to a private soldier and to all ranks up to and including that of captain, at the new basic rate proposed is \$1,044 per annum.

Mr. GREEN: How much?

Mr. MELVILLE: \$1,044. In addition to that the Act provides today a maximum award of helplessness allowance of \$750 per annum.

Mr. GREEN: That is the same?

Mr. MELVILLE: That is the same.

Mr. GREEN: No change.

Mr. MELVILLE: At the moment. So that the sum total of total disability pension and maximum helplessness allowance is \$1,794 per annum. Now we consider the case of a lieutenant-colonel. His pension still remains at \$1,560, and the difference between \$1,794 and \$1,560 is \$234. In subsection 2 of section 6 of Bill 126 that is the amount provided. In other words, the same basis is being continued in the bill which is before the committee as has existed in the Pension Act since 1919.

Mr. GREEN: That means just as I said, that a colonel who is totally disabled but not helpless is going to get under the bill as it now stands \$1,560, and that the colonel who is helpless will get in addition to that a maximum of \$234?

Mr. MELVILLE: That is—

Mr. GREEN: So as between one colonel and a colonel who is a paraplegic, the latter only gets \$234 for his helplessness. That is the picture? That is right, is it not?

Mr. MELVILLE: That is the situation.

Mr. GREEN: Well, the Legion is asking, and the National Council of Veterans are asking, that that anomaly be removed. They do not see why the helpless colonel should be discriminated against as compared with the colonel who is not helpless.

Mr. CRUICKSHANK: May I ask a question? Do you think a helpless private should be discriminated against as against a helpless colonel? Why should a colonel get any more than a private?

Mr. GREEN: Here is the answer to that. The whole Pension Act as it was originally drawn up was on a basis of rank.

Mr. CRUICKSHANK: It should not be.

Mr. GREEN: Probably that was wrong when it was done, but that was done, and that exists at the present time and is continued in these present amendments. There is no suggestion from either group of veterans that should be changed. For some reason or other—I do not know when it was done—in the years gone by they changed that whole basis in the case of the senior officer who was helpless. I do not think anybody can justify that. There is no

reason why he should be picked on. If they were going to make a change it should have been with the senior officer who was not helpless rather than the fellow who is flat on his back. It is that anomaly the Legion is hitting at and that the National Council of Veterans are hitting at. They are quite right. There is no reason why he should be picked out. That is why I think if we are going to accept the Legion recommendation we have got to take it holus bolus, not pick out the first part of it.

Mr. CRUICKSHANK: I should like to ask a question. I presume this represents my own branch of the Legion. This is a brief prepared by the dominion command and all the provincial ones. I am not attacking generals. There are too many of them anyhow, but are we to take the brief presented by the dominion command of the Legion representing all the provinces, or what is the private opinion of one of the officials of the Legion? That is just what it amounts to. It is all very well to say that the president of the Legion is speaking on behalf of the Legion. He is, but he presented a cut and dried brief here which every member of the committee received. I presume this brief meets with the approval of the provincial commands of the Legion. I will never agree with you that because a man is a colonel he is entitled to more helplessness allowance than a private.

Mr. GREEN: I did not say that at all. Do not put words in my mouth. I did not say that at all. That is most unfair. Actually he does not get the same helplessness allowance as a private. He is only getting \$90 helplessness allowance under the law at present, and the private is getting \$750.

Mr. CRUICKSHANK: Total income.

Mr. GREEN: You are talking about helplessness allowance. Under the bill as it is amended a colonel, taking him for an example, is only going to get \$234 helplessness allowance.

The CHAIRMAN: A lieutenant-colonel.

Mr. GREEN: Whereas a captain and all ranks below captain are getting \$750.

Mr. CRUICKSHANK: I mean the total pension, the total income.

Mr. GREEN: Why do you not say what you mean?

Mr. CRUICKSHANK: If we are going by what we say and what we mean what have we been doing here all morning? I do not know.

Mr. GREEN: Mr. Herwig has pointed out to-day that the Legion in 1946 dealt with this very point in their resolutions placed before the committee. It is not a matter of General Price bringing it in the other day. It was formally submitted by them in 1946.

Mr. CRUICKSHANK: Here is the recommendation submitted this year in 1948. The Canadian Legion submits it to the Parliamentary Committee of the House of Commons, 1948. Surely we are to take that brief as handed in to our clerk and to our staff.

Mr. GREEN: Read it. It is in the brief.

The CHAIRMAN: It is not in the official brief which is in the appendix. The official brief was printed in the appendix. It is on page 51 of the proceedings of the committee. This suggestion of a change in the basic pension of the Pension Act was not in the official brief, but as pointed out by Mr. Herwig it was brought in by General Price himself.

Mr. GREEN: What does he mean, anomalies resulting from differentiation in rank?

The CHAIRMAN: These are the anomalies it is proposed to amend in the bill. They say those anomalies are obvious. Those are the anomalies that are corrected in the bill itself.

Mr. BROOKS: Have they not confused it there in that submission? They give the proposed new rate of pension but they have not given the proposed new rate of helplessness allowance?

The CHAIRMAN: That is the point, Mr. Brooks.

Mr. BROOKS: Take a lieutenant-colonel. His monthly pension is \$130. His helplessness allowance should be \$19.50 a month according to the proposed Act.

Mr. MELVILLE: That is correct.

The CHAIRMAN: They were basing this on the old Act plus the proposed change in pensions and they say that would mean that a lieutenant-colonel would not get as much as a private. They say that anomaly should be corrected. As pointed out by Brigadier Melville—

Mr. BROOKS: There are really two anomalies, the one they mention and the one Mr. Green mentioned.

Mr. MUTCH: This matter was the subject of a great deal of debate in 1946 and the subject of a difference of opinion. I wonder if the chairman of the Pension Commission can tell us how many of these senior officers are involved in this. It might be of some value. I should like to know.

Mr. HARRIS: And also what we have done in the past about it.

Mr. MELVILLE: I was going to answer that question. Anticipating there would be a debate on this very point I searched all the records, and I can say without any question of doubt there has been no change since the helplessness allowance was first introduced in the Pension Act, back in 1919. In the original Act of 1919, and in going through the proceedings and debates that have taken place, the basis I spoke about, \$1,650, was the level that was established and has been maintained ever since. I also should point out that the total disability award of pension to a full colonel is \$1,890, and to a brigadier it is \$2,700; and there is no provision for an award of helplessness allowance to those two higher ranks or any rank above that of brigadier for the reason that the award of total disability pension to a full colonel was in excess of the combined total to which I have previously referred. In your considerations that should be kept in mind. Mr. Mutch has asked how many senior officers there were. Unfortunately, I cannot answer that. I have heard some very unflattering remarks regarding the number of brigadiers on many occasions.

Mr. MUTCH: Personally, I should like to deal with that matter on an individual basis and not on a blanket basis.

Mr. GREEN: Do you now how many lieutenant-colonels are helpless?

Mr. MELVILLE: I can give you particulars with regard to the awards of helplessness allowances. There are 431 awards of helplessness allowance in payment to pensioners of World War I.

Hon. Mr. GREGG: That is the grand total?

Mr. MELVILLE: Yes, that is the grand total. There are 312 awards of helplessness allowance to pensioners of World War II, making a total of 743. Those are the total number of awards; and the annual liability at the present time on account of those awards is \$316,064. To increase that amount to \$1,200 for everyone, would mean a liability of \$891,600.

Mr. HARRIS: That is the total?

Mr. MELVILLE: The total.

Mr. BENTLEY: That is based on \$1,200?

Mr. MELVILLE: Yes.

Mr. BENTLEY: How much would it be based on \$1,400?

Mr. MELVILLE: I have not got that. Now, with regard to the ranks of those who are in receipt of helplessness allowance—

Mr. HARRIS: May I interrupt? This is just on the basis of your leaving the present ratio of helplessness allowance on the same basis?

Mr. MELVILLE: Correct. On the present basis for World War I, one lieutenant-colonel is in receipt of helplessness allowance and there are four majors and eight captains. The rest are lieutenants or ranks below, or ratings.

Mr. GREEN: What about World War II? Is that total helplessness; or is it partial?

Mr. MELVILLE: Some may be partial. For World War II for the navy there are two—one commander and one lieutenant-commander—there are two senior ranking officers. For the army: two lieutenant-colonels, nine majors and six captains. For the air force: two awards of helplessness allowance.

So there are a total of thirteen awards to ranks of captain and higher for World War I, and nineteen awards of ranks of captain and higher for World War II. The others, out of that total of 743, are lieutenants and below.

Mr. Mutch: You could almost amend your motion.

The CHAIRMAN: The matter is before the committee. There are two points: one is to raise the ceiling and the other is a matter on which there might be some controversy, and that is the question of whether the helplessness allowance should be added to the pension, whatever it is. For example, take a brigadier. I understand he gets \$2,700. Whether he is total helplessness, if there happened to be a brigadier—

Mr. GREEN: There are no helpless brigadiers, apparently.

The CHAIRMAN: Maybe not. Perhaps I should say a general, then. If our recommendation were accepted a brigadier would have \$1,400 added onto his \$2,700; and in the past it was figured when he was getting \$2,700 that he should not get the helplessness allowance at all. Now, I suggest, gentlemen, in order to bring this matter to a head, first of all we take the general principle of whether we are in favour of raising the helplessness allowance on the basis on which it has been paid in the past to \$1,400 and then, having voted on that, we decide whether we apply it to all ranks regardless of what pension they are getting due to their rank; or whether we follow the old principle of bringing the income of the helpless person, no matter what his rank may be, up to the level of a captain or a private or a lieutenant. That would separate the questions.

Mr. GREEN: We have either got to take this section 6 or recommend the amendments we want and go into detail and work out the amendments we want or pass a general recommendation. Now, I understood when Mr. Harris started that he was all for this second recommendation of the Canadian Legion, and I am prepared to let it go at that. That recommendation says that the maximum helplessness allowance be increased to \$1,400 to offset the rising cost of living and that anomalies resulting from differentiation in ranks be removed.

The CHAIRMAN: Nobody knows what that meant. For instance, someone thought it meant one thing, and General Price thought it meant something else.

Mr. GREEN: We have either to have one thing or another, or we have to take a general recommendation which was what Mr. Harris started out to do; or we have to go into the section of the Act. And there is this further feature: there is nothing said about the lowest helplessness allowance. Now, are we going to say that the lowest helplessness allowance can still be \$250? Surely, if we are going to raise the ceiling we should raise the floor too. Now, Mr. Harris does not deal with that.

Mr. BENTLEY: He did originally.

Mr. GREEN: In the recommendation of our committee we should deal with that. There are a great many of those lads who were only entitled to partial helplessness allowance. I said we do not want to put them in the position where

they are going to be cut off with \$250. That is a point this committee must decide. We are trying now to rush in a recommendation which actually is not in legislation; and in effect we are rushing it in for publicity purposes—

Mr. HARRIS: Nonsense.

Mr. GREEN: —whereas we are not going to the root of this matter. This question of the floor is a very important one—

Mr. HARRIS: Of course it is.

Mr. GREEN: —that should be considered in this committee. It seems to me if a recommendation is made it should be included in our recommendation.

The CHAIRMAN: What I had in mind, gentlemen, was this: if we could get the government, on the basis of our recommendation, to consider raising the ceiling, then we could go into details on what we will recommend in the bill itself, after we had got their agreement to raising the ceiling. That is about all we could hope to do before Easter—to make a blanket recommendation that the ceiling be raised; and if we can get their agreement to that then the details are a matter upon which we would probably like to have further representation from the Legion; because we have only four categories of helplessness allowance today, and it is worth considering whether we should not introduce, when we have the ceiling higher, another category, perhaps, for the person who is not in one of those four categories.

Now, that opens up the question of whether we cannot change this helplessness allowance a little more than in the past. I am not speaking for the government; I am speaking as the result of considerable thought with regard to trying to help out the people who need help in addition to their basic 100 per cent disability pension. I say if we could agree, and the government would agree, to raising the ceiling, we could go into this question with the help, particularly of the commission, and study this question—if we knew that the government would consider raising the ceiling. That is the thought I had in mind concerning the benefit of our making a recommendation before Easter.

Mr. BROOKS: Your former remarks were to the effect that each of these sections should be carefully considered. My idea is that if you raise the ceiling you are raising it for some particular reason, and if the ceiling is raised then the minimum must be raised for that particular reason. If the ceiling is going to be \$1,400 logically the minimum amount must also be raised in the same proportion.

The CHAIRMAN: If it is going to apply to the same group of people.

Mr. BROOKS: The same argument would apply there. I think we should hear evidence, before raising the ceiling or raising the minimum, from the department or someone else to show why, if we are justified in raising the ceiling, we are also justified in raising the minimum. There is no use in dealing with this section unless we deal with it completely; and we should know absolutely what we are doing, and not recommend something piecemeal—the ceiling now and the minimum later on. Deal with the whole section and have all the evidence before us to deal with it.

Mr. MUTCH: If we make the general recommendation this morning we are simply announcing that in our opinion there should be more generous treatment, and you reach that decision by fixing a maximum. If we pass the resolution, as undoubtedly we will, the time will come when we have to deal in this committee with the clauses of this bill, and my thought is that the time to amend the minimum is when we are considering the bill clause by clause. I do not think there is much use in our worrying ourselves at the moment about increasing the minimum until we know what the general policy is—until we know whether or not we can get the maximum increased. If we are told when we come back that we can go ahead and review this bill, bearing in mind that the committee

will be permitted to make an amendment to the bill which involves increased expenditure and which we can only do if we are given the power—and we do not have it at the moment—then we are in a position to make a detailed examination of the bill and to change any of these figures or reclassify them at any point where the committee may decide. I cannot see any relationship at the moment between a general recommendation that we be more generous and an attempt to fix at this specific moment what the minimum shall be.

MR. HERRIDGE: I agree with Mr. Mutch; but I want to mention one point raised by Mr. Green. What did the Legion mean? I think definitely what the Legion means is indicated by this second recommendation and particularly by this table. You will remember at that time my asking a question or making a statement to the effect that this is the first time that generals had been brought up to privates and the answer was yes. I think that whole discussion indicated that. I agree with Mr. Mutch, and I think we could make this general recommendation, and after hearing what the government's opinion is, base the rest of our conclusions on it.

MR. CRICKSHANK: Mr. Chairman, would a motion be in order that the Committee on Veterans Affairs sit here during the Easter recess and go to work and get this thing through?

THE CHAIRMAN: We have a motion by Mr. Harris that the top ceiling be \$1,400.

MR. GREEN: There is this other feature: raising the ceiling may not benefit the great majority of the veterans who are partially helpless. It certainly would benefit those who are totally helpless, but there are a small proportion of the members drawing such helplessness allowances; so that the result may very well be that the government may say: "We will put up the ceiling to \$1,400; we have done that; that is enough for one year; that is as far as we are going to go"; and three-quarters or 90 per cent of the veterans who are getting helplessness allowances may get absolutely no increase whatever.

MR. HARRIS: Do you seriously think that will happen?

MR. GREEN: Yes, I do.

MR. HARRIS: Oh no, you do not.

MR. GREEN: Yes, I do. This whole move is being made contrary to the spirit in which veterans affairs committees have worked down through the years; we are playing too much to the cabinet. We are taking for granted that we cannot do anything; that there is no use recommending anything unless the cabinet is going to approve of it, and we have to make some sort of a recommendation today so that the cabinet will be able to think about that. And if the cabinet comes back and says, "All right, boys, that is O.K., give us some more," then the committee can make a further recommendation. The chairman knows and I know and everybody else knows that if the cabinet agrees to the increase that is the finish to increases for this year.

MR. BENIDICKSON: We do not know any such thing.

MR. GREEN: We have a pretty good reason to expect that that is the end of any increases. This is entirely contrary to the whole spirit in which veteran affairs committees have functioned in the past, and I think it is a very unfortunate beginning. I am afraid for the veterans across this country. It is going to be hard for members on this committee to get for veterans across this country the justice they deserve if the procedure throughout is to be as indicated today.

MR. CROLL: Are the veterans opposed to this \$1,400?

MR. GREEN: I have not been opposed to that; you know that very well.

MR. CROLL: I asked about the veterans.

MR. GREEN: Don't try—

Mr. CROLL: You are the one who has been suggesting that this was party politics. If it is politics it is good politics, and I am very glad to be part of it. I have heard no suggestion from the veterans—

Mr. GREEN: It is going to mean this, that there will be no further basic increase in pension.

Mr. CROLL: That does not bear out your statement, because I started out by saying that originally the cabinet made a decision announcing an increase before Christmas and since that time they have changed their decision and increased it.

Mr. GREEN: Under terrific pressure from the veterans.

Mr. CROLL: Of course, but they did change it. Now, we intend to apply—call it pressure if you like—that they change it again.

Mr. GREEN: We may have the Prime Minister or the Minister of Veterans Affairs go into the House and say that this raising of the ceiling on veterans' helplessness allowances will cost \$891,000.

Mr. CROLL: The thing is that you would like to say it rather than he.

Mr. LENNARD: If the ceiling is raised to \$1,400 the only businesslike thing for any government to do would be to raise the helplessness allowance in proportion, and if they do not do that they would be stupid and would be open to ridicule across Canada. If the ceiling is to be \$1,400, and the government agree to that, they automatically are agreeing to raising all helplessness allowances.

The CHAIRMAN: Naturally, yes.

Mr. LENNARD: That is the only businesslike thing to do. I do not know why we are chewing the rag.

Mr. QUELCH: Mr. Harris' original motion was to raise the minimum allowance from \$250 to \$480, and I would like to ask Mr. Melville whether there would be any danger of that having the effect that certain veterans might be debarred from receiving the helplessness award?

Mr. MELVILLE: The answer to that is no. I would like to say that there is no body which is more impressed with their great trust than is the Canadian Pension Commission in their administration of the Act, and particularly in administering this section which deals with helplessness allowances. Colonel Brooks asked the question last Friday as to whether the award of helplessness allowance was wholly related to a man whose pension entitlement was for the condition from which he was helpless. I stated then the answer was no, that if he was a pensioner, irrespective of the amount of pension payment—and I quoted one case where it was 5 per cent and he was helpless within the meaning of the Act—provided he was helpless and in need of attendance—he could get the award of helplessness allowance.

On Friday afternoon when I returned to my office a file was brought to my attention. I will give you the regimental number; it was 2,580,805. That ex-service man is a veteran, an Imperial soldier who lives in British Columbia. In October 1947 he wrote to the commission for the first time and he said, "I am a Canadian; am I entitled to any supplementary pension?" Now, that is about all he asked in his letter. The commission sent a pension visitor out to see him and he was getting 10 per cent award of pension from the British Ministry of Pensions. The investigator found out according to his own statements, which were properly verified, that he was domiciled in Canada prior to his enlistment in the Imperial forces in World War I; therefore he established the basic principle of pre-war residence. He was medically examined through our own pension examination facilities to assess the degree of disability on the basis of the award that would have been paid to a Canadian soldier, who had served in exactly similar circumstances. He is residing in Canada

so we supplemented his British award to what the Canadian award would be in similar circumstances. Now, his award is only 10 per cent, so that the supplementation amounted to something less than \$24 a year. It was very small. The pension visitor reported that the man was totally disabled; he was suffering from rheumatoid arthritis. When examined, the pension medical examiner sent in his reports and these demonstrated to the satisfaction of the commission that this man was helpless within the meaning of the Act. He did not require constant attendance, but very nearly so.

Under date of March 18, the day before your discussion in this committee on the matter, the commission awarded a helplessness allowance of \$450 per annum. I might add, gentlemen, that I obtained the file this morning to establish to my own satisfaction that these facts are correct. There you have a case of a Canadian who served with the British forces, his pension award is based on Canadian rates, he gets helplessness allowance, and in addition he gets the maximum award of war veterans allowance. I should perhaps point out that helplessness allowance is not considered as income for purposes of the latter award.

Some Hon. MEMBERS: Hear, hear.

Mr. HARRIS: On the subject of the minimum I originally thought we ought to increase the figure given here when taking into account the increase in the maximum. I think everyone will understand why I did that. If we were going to move up the top helplessness allowance to \$1,400 we should move the corresponding four grades which the chairman has mentioned. On the other hand the chairman has suggested, and as a rule I think he gives thought to these things before he mentions them, that it might possibly be better if we left the minimum figure at \$250. We could later consider including in the helplessness allowance section certain groups who are not now covered. It does occur to me that we had better leave the minimum at \$250 and wait until we get some reaction from the government on our recommendation regarding the \$1,400 maximum.

Mr. BROOKS: You have just said there might be people who could be included as an additional group. It is all very well to say that there might be someone but I think Brigadier Melville suggested that these groups were pretty inclusive.

Mr. QUELCH: I understood the brigadier to say that raising the minimum to \$480 could not possibly result in certain veterans being disbarred.

The CHAIRMAN: Well under clause 4—

Mr. CROLL: What is clause 4?

The CHAIRMAN: The helplessness allowance as presently awarded is divided into four groups. The first group is that requiring "constant attendance," including total paralysis—the paraplegics—and they get the full allowance of \$750. The second group is "almost constant attendance," covering the cases of insanity, epilepsy, and so on, which cases receive \$675. The next group is that requiring "intermittent attendance, day and night," and that group includes those who have suffered the amputation of both arms above the wrist, double thigh amputations, one arm and one leg and so on.

Mr. CROLL: How much do they get?

The CHAIRMAN: Those in class 3 get varying amounts. An individual suffering the amputation of both arms above the wrist gets \$575. The others I understand get \$250. The last group is the group requiring "occasional attendance." Included in the group are those who have lost both eyes or who are totally blind, and they get \$480. The thing that is passing through my own mind is that there may be a group not covered at all and that if we raise the ceiling to \$1,400 you might then be able to introduce a 5th class who are not

presently included. That would be a matter for recommendation and advice to be received from the Canadian Pension Commission and the Legion.

Mr. QUELCH: Could you not raise the minimum of these four classes to \$480 and then introduce the 5th class which would be at a lower rate?

Mr. HARRIS: The reason I did not attempt to do that was because we cannot now amend the bill to include the 5th group. I quite agree that whatever the outcome of our investigations later, those persons who are now in the four groups and receiving the minimum should go up, and if my resolution carries, and if it goes through the House, those four groups will be taken care of. If we think we should introduce a further group who might qualify for less than the \$480 we can make that recommendation later in the session.

Mr. BROOKS: I wonder if Brigadier Melville could tell us if there is a possibility of a 5th group being introduced? Reading over the section of the Act it seems to me it is quite inclusive and I do not just see where a 5th group could be included. If that is true and no 5th group could be included there is no use arguing the matter now

Mr. MELVILLE: The question has received some study by the commission. I know the question in your mind is, what is helplessness allowance? They may be certain cases, for instance the double leg amputation and others, who have not got the ordinary means of locomotion and a car for those individuals becomes an absolute necessity. We would look into the whole question and decide whether our interpretation of helplessness in the light of 1948 conditions, is correct.

Mr. MUTCH: You are speaking of the case where a man might live two miles away from his work and he cannot possibly get to his work without an automobile. You would like to have that man given some consideration.

The CHAIRMAN: I understand from Mr. Harris' motion that we intend simply to say that we agree the helplessness allowance should be raised to \$1,400. If we agree on that point, we can then have the benefit of the study of the pension commission on the matter of how the details can be worked out to the best advantage of the veterans. If Mr. Harris' motion along those lines is carried then we can probably get it considered by the government during the Easter recess.

Some Hon. MEMBERS: Question?

The CHAIRMAN: Are you satisfied, Mr. Harris?

Mr. BROOKS: I think to be logical we should include a figure for the minimum award. I would move the minimum be \$480 and the maximum \$1,400.

Mr. MUTCH: Would that have the effect of ruling out some man who might not be entitled to the full minimum?

Mr. BROOKS: Brigadier Melville said definitely that the answer to your question would be no.

Mr. MUTCH: Yes; but I had in mind the type of person who lives in the city at considerable distance from his work. Generally speaking it is the fact his income is not high which forces him to live a considerable distance from his place of business, and it seems to me there ought to be some supplementary help given to him. I have in mind one of the paraplegics who said the other day that he worked at a distance from his residence and that it cost him \$68 a month for transportation.

Mr. LENNARD: That man was a double amputation.

Mr. MUTCH: Well I know a chap who has been working steadily since the last war and he cannot walk fifty yards. He has an artificial leg but he can drive a car and does drive it to work. It is the biggest expense item in that

chap's living. If it was possible to supplement his income on that account, and if that chap could get a helplessness allowance, I think he should get it.

Mr. GREEN: He either qualifies under the section or he does not qualify.

Mr. Mutch: Yes; but it might be necessary to re-define the section so that he is entitled to receive say \$25 a month and I do not think that we should lock the door on that possibility.

Mr. QUELCH: Well, Mr. Mutch's suggestion would mean the introduction of a new class. My own opinion is that I think we should raise the minimum for existing classes and later on we can introduce a new class which may not necessarily be tied to this amendment.

The CHAIRMAN: The amendment might exclude the possibility of introducing a further class.

Some Hon. MEMBERS: Why?

Mr. HARRIS: I would change my motion to apply the minimum to the existing classes.

The CHAIRMAN: That might clear the motion so that we can go on and study the possibility of including another class.

Mr. HARRIS: Yes.

Mr. GREEN: How does the amendment read?

The CHAIRMAN: The amendment put by Mr. Harris was to the effect that the maximum allowance be raised to \$1,400. It will be worded properly to the effect that this committee recommends the usual things within its power; that the government give consideration, and so on, and the words "and that the minimum be \$480 for the existing classes" will be included. Now that does not close the door to the possibility of including a further class.

Mr. BENTLEY: A point of order, Mr. Chairman, please? My understanding is that Mr. Harris recommended in the first place that the maximum be increased from \$750 to \$1,400 and that the minimum of \$250 be increased to \$480. Now did he withdraw the words of the amendment regarding the minimum figure with the consent of the committee? The reason I would prefer him not to withdraw those words is that if the recommendation goes through the committee and comes before the government, being moved by Mr. Harris it will have more weight than if it were moved by Mr. Brooks.

Mr. BROOKS: Well, I think we may as well close the committee altogether if that is the feeling of the different members.

Mr. CROLL: If Mr. Brooks has no objection I do not think that Mr. Harris will have any objection. Let us incorporate the whole thing as one motion?

Mr. BROOKS: I would be very glad to see that done.

Mr. Mutch: On that point, I do not think that the remarks just made should be allowed to go unchallenged. I am not objecting to the change, and goodness knows I am not here to defend either the government or the treasury board for the things they do. Every honourable member who has served on the Veterans Affairs Committee since 1936 and who has been a party to its achievements and its mistakes, knows that the suggestion put forward by Mr. Bentley has no foundation and I do not think that the comment should be passed unchallenged.

Mr. HARRIS: I think perhaps Mr. Bentley was having his Monday morning joke and did not expect to be taken seriously in any way. I would probably have made a like remark myself. I was somewhat afraid that you might have ruled me out of order in so far as the change in the motion is concerned but with Mr. Brooks' consent I will add to my amendment the words regarding the minimum.

Mr. WOODS: This motion leaves aside entirely the question of discrimination against senior officers.

Mr. HARRIS: That is right. Mr. Green just asked me a question on that. I know his opinions on the matter but in view of the uncertainty of the details and in view of the recommendation made by the Legion I would prefer that that matter be left for discussion at a later time.

The CHAIRMAN: Well, shall the amendment to the amendment carry? It is unanimously carried.

Carried.

Now of course I am entirely in the hands of the committee. Is it desired to discuss Mr. Green's suggestion in regard to higher ranking officers, or will we go back to the consideration of the Pension Act?

Mr. HARRIS: If we can clear the matter up in a few minutes I would like to go on with it. I would like to ask Brigadier Melville whether the Act places any discretion with the pension commission as to the grant of helplessness allowance? There has never been an absolute statutory requirement on that, has there?

Mr. MELVILLE: That is so, except with regard to rank.

Mr. HARRIS: From the beginning then I take it you have used the scale—

Mr. WOODS: Senior officers are governed by statute.

Mr. MELVILLE: There is a statutory provision with respect to the amount for senior officers, captains, majors, and lieutenant-colonels.

Mr. HARRIS: I am not talking about pensions, I am talking about helplessness allowance.

Mr. MELVILLE: Yes, for helplessness.

Mr. HARRIS: It has always been the same?

Mr. MELVILLE: Yes, since the original Act in 1919.

Mr. WOODS: The various classes, to the extent of the disabilities themselves, are governed by the administration. They are not under statute, but the discrimination against senior officers is fixed by statute.

Mr. GREEN: The National Council of Veterans' Associations at page 8 of their brief put it this way:

That Section (2) of Section (26) of the Pension Act, which applies a means test discrimination against invalid totally disabled officers above the rank of lieutenant, should be eliminated as previously recommended.

The public mind still harbours an age old impression that the more senior the rank the farther from the front and the safer is the high ranking officer. The Canadian Pension Act contains an unique provision in Subsection (2) of Section (26) when it actually imposes a penalty on officers of the rank of captain or above, who in the performance of duty in a combat area ventured into danger and were wounded so seriously as to become semi- or complete invalids for life. If the thought of this section was to hit at the higher rates of pension for high ranking officers, then why was the attack not made from the front? The present provision actually approaches it from the rear and hits only those who are on their backs or most seriously disabled. Less than fifty officers of the rank of captain or above, for both the First and Second Great Wars, are affected by this provision, but their needs plus their sense of injustice warrants earliest consideration by those who have the opportunity and the privilege of rectification. These representations will continue with all the force at our command until this ill-conceived and unfortunate provision has been rectified.

The matter was brought to my attention by Colonel Hay, who wrote to me, as he probably wrote to all the members of the committee in 1946, and he put it on the basis that he did not see why he should be discriminated against.

Mr. CROLL: Who was that?

Mr. GREEN: Colonel Hay. I think he is in Christie Street Hospital.

Mr. CROLL: Yes, I know him well.

Mr. GREEN: He did not understand why he should be discriminated against and I do think there is much unfairness as between ranks.

Mr. HARRIS: Did we not discuss this in 1946?

Mr. GREEN: No, we did not.

Mr. CRUICKSHANK: When do we adjourn? I am going to move a motion. I understand that the Prices committee can sit during the recess and that they can draw \$15 a day, income tax free, while they do sit but I am not suggesting that this committee be paid any expenses whatever. I have heard something about playing politics and I want to say there are no politics here. I am going to move, seconded by my C.C.F. friend, Mr. Bentley, that we sit during the Easter recess—and that cannot be side-tracked for another motion.

Mr. ISNOR: I do not think it should go on record that the Special Committee on Prices are getting \$15 a day tax free. I do not think they are getting any fees at all.

Mr. CRUICKSHANK: I am informed that if they sit when the House is not in session they can get it.

Mr. ISNOR: Well it is quite a different matter if the House is not in session.

Mr. BENTLEY: I want to assure the committee that I have no desire to collect any expenses. George and I are only thinking of trying to get these increases in pension and helplessness allowance adjusted as quickly as possible. As far as I am concerned, while I would like a holiday as much as anybody else and I do not like to work without pay any more than anybody else, in order to finish this matter I would be glad to do this work.

Mr. HARRIS: I wonder if Mr. Woods could answer with regard to what we did in 1946?

Mr. WOODS: I have no recollection; there was an informal discussion, but no decision was taken. Probably Mr. Melville can answer that.

Mr. MELVILLE: That is the state of affairs.

Mr. CROLL: That is not information. I am supporting Howard Green on this. I think he has a point—something we have run away from, a matter of discrimination. We have always made sure that there was no discrimination in the lower levels, and we have to make sure in the higher levels. We ran away from it in 1946 because the shout went up about higher paid officers; but I think we are here today to do justice to these people. I know the man he is talking about—he is an officer—I knew him overseas. This has nothing to do with the individual; the matter is one dealing with discrimination—something we have avoided in veteran legislation—and if we have to deal with it the sooner the better. Let us have all the facts and deal with the matter in the light of justice.

The CHAIRMAN: We have not got a motion on this question of paying the upper ranks the helplessness allowance. Is it the desire of the committee to make a recommendation on that? That is something that will have to be considered by the government too. Is the committee ready to vote on that question?

Mr. GREEN: I move that we recommend that the discrimination in subsection 2 be removed.

Mr. HARRIS: I do not want to hold up Mr. Green's motion particularly, but I did not remember the discrimination in 1946. Perhaps I was not one of the informed group that was in on it. I would not like to jump in on this thing in view of the strong feelings that some indicate without being able to assess the matter of allowing the rank to govern this thing. I would rather we did not vote now. I am prepared to go along when we hear more about it.

Mr. CROLL: I will second Mr. Green's motion and let it stay on the record and it will come up again.

Mr. MUTCH: By the consent of the committee the motion is allowed to stand?

Mr. CROLL: Yes.

The CHAIRMAN: Now, let us deal with Mr. Cruickshank's motion.

Mr. CRUICKSHANK: There are a lot of lawyers in this committee, but my understanding is a motion to adjourn is not debatable.

The CHAIRMAN: Have we got a motion to adjourn?

Mr. CRUICKSHANK: I move that we now adjourn and meet again and continue sitting throughout the Easter recess.

The CHAIRMAN: You cannot add something to a motion to adjourn. Are you moving that we adjourn or are you moving the other matter?

Mr. CRUICKSHANK: Am I not allowed to amend my own motion? I am serious about this. I should hate to go back to my Legion friends with the report—and I think we have two reports—we can get all sorts of reports of this committee sitting down in the railway committee room and in my opinion they are accomplishing nothing—I do not want to go back to my Legion and say that we have talked and we have done nothing. I think we have accomplished little since this committee started, and I am moving that this committee sit during the Easter recess.

Mr. BROOKS: There is one point I think we should be assured of if the committee does sit throughout the recess, and that is that people across this country who would come before this committee will also give up their holidays to come here and give evidence. We will be sitting around Good Friday and Easter Monday, and I do not wish to sit here and miss my opportunity to go home for the holiday unless we are going to accomplish very much—I do not want to do that just for the object of sitting during the recess.

Mr. CRUICKSHANK: Let us have the privilege of voting on the motion.

The CHAIRMAN: Does anyone else wish to speak to this motion that we sit during the Easter recess?

Mr. HARRIS: I wish to add a word to what Colonel Brooks has said. All joking aside, the civil servants have been very regular here in attendance, and I think it is unfair to ask them to come here particularly right through the holidays.

Mr. CRUICKSHANK: How many times do the farmers get a couple of weeks off?

Mr. QUELCH: Could not the motion be modified so that it would apply to the holiday from Tuesday on? That would give Good Friday and Easter Monday as holidays and we could start from Tuesday on.

The CHAIRMAN: I hope that those who vote on this motion are going to be prepared to be here.

Mr. LENNARD: I will move in amendment that this committee adjourn as of today and meet again on April 5. What is the use of being hypocritical about this matter?

The CHAIRMAN: Those in favour of staying right through the Easter vacation please indicate; those against?

The motion is lost.

Now, shall we meet tomorrow?

Mr. LENNARD: We might as well be sensible about this thing. I move we adjourn as of today and reassemble on Monday, April 5.

The CHAIRMAN: Is there any discussion on this motion?

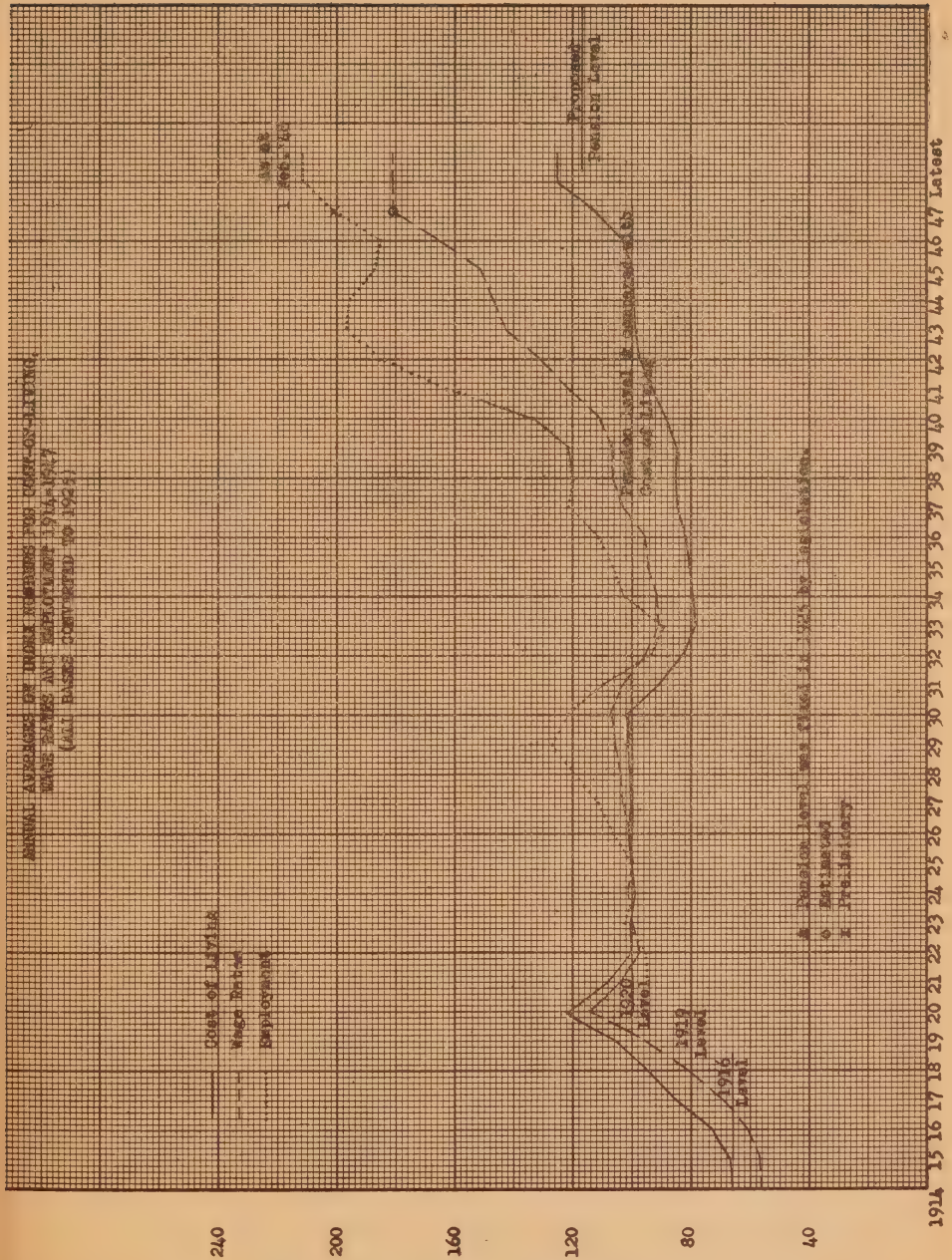
Mr. GREEN: That is the day that the House opens and it is a bad day to begin our sittings here.

The CHAIRMAN: Suppose we meet at the call of the chair after the House has reassembled?

Motion carried.

The committee adjourned.

APPENDIX A



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Canada Veterans Affairs
on. 1947/48
SESSION 1947-1948

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

. 1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

TUESDAY, APRIL 13, 1948

WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman,
Canadian Pension Commission;

Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., F.P.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1948



ORDERS OF REFERENCE

THURSDAY, April 9, 1948.

Ordered,—That the following Bill be referred to the said Committee:—
Bill No. 196, An Act to amend The War Veterans' Allowance Act, 1946.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MONDAY, April 12, 1948.

Ordered,—That the name of Mr. Winkler be substituted for that of Mr. Tucker on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, April 13, 1948.

The Special Committee on Veterans Affairs met at 10.30 o'clock a.m.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Croll, Cruickshank, Dickey, Dion, Emmerson, Gauthier (*Portneuf*), Gregg, Green, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Skey, Viau, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs.

The Clerk read a letter of resignation, dated March 24, from the Chairman, Mr. Walter A. Tucker.

Moved by Mr. Isnor, seconded by Mr. Baker, that Mr. Mutch be Chairman of the Committee.

There being no further nominations, the motion was declared carried. Mr. Mutch took the Chair and thanked the Committee for the honour conferred upon him.

On motion of Mr. Harris, seconded by Mr. Belzile, it was resolved that Mr. Blanchette be Vice-Chairman.

The Hon. M. F. Gregg, Minister of Veterans Affairs, made a statement as to government policy respecting helplessness allowance recommended by the Committee, and as to basic rates of disability pension.

The Committee resumed consideration of Bill 126, An Act to amend the Pension Act.

The Chairman announced that Mr. Blanchette had been appointed a member of the Steering Committee in the place of Mr. Tucker.

On motion of Mr. Ross, at 11.40 o'clock a.m., the Committee adjourned until Thursday, April 15, at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

ERRATA

Minutes of Evidence, Tuesday, March 16:

Page 79, line 8, the figure 80,000 should read 8,000.

Appendix "D", Tuesday, March 16:

Page 90, the percentage of unemployed among seriously disabled veterans receiving from 1 to 24 per cent pension should read 6.08% instead of 60.08%.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
APRIL 13, 1948.

The Special Committee on Veterans Affairs met this day at 10.30 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CLERK: Gentlemen, I have a letter here from Mr. Tucker which is self-explanatory. The letter is dated the 24th of March and is addressed to me as clerk of the committee.

Dear Mr. BURGESS: I hereby tender my resignation as chairman of the Special Committee of the House of Commons on Veterans Affairs. I trust that the deliberations and work of the committee will be most successful and fruitful.

Yours sincerely.

As Mr. Tucker has since been replaced on the committee and there is no chairman the first order of business should be the election of a new chairman. Nominations are in order.

Mr. ISNOR: Gentlemen, like many of you around this table since 1935, I have served on various veterans affairs committees. We all know the splendid manner in which Mr. Tucker has served this committee and the veterans of Canada. At times his vigorous manner may not have met with the entire approval of all members of this committee, but we know that he was at least sincere and always willing to do his best to bring about the results which I believe he felt would serve the veterans in the best possible way.

There are also others who have served equally as well as Mr. Tucker, I believe, and who have served on this committee for many years. I refer to Mr. Mutch. I am going to take the liberty of moving that Mr. Mutch be chairman of this committee.

The CLERK: Are there any other nominations?

Mr. WHITE: I move that Mr. Walter Harris be chairman.

Mr. HARRIS: Mr. Chairman, with all thanks I wonder if the gentleman who suggested that duty might consider the fact I will be launched very shortly on the External Affairs committee if we ever get through the present difficulties, and I have many other things I should like to do. In any event, I am not nearly as familiar with the details of veterans affairs work as is Mr. Mutch and I would appreciate it very much if I might withdraw.

Mr. BAKER: I will second Mr. Isnor's motion.

The CLERK: Are there any further nominations? It is moved by Mr. Isnor that Mr. Mutch be chairman. All those in favour? Carried.

The CHAIRMAN: Gentlemen, it is not my intention while I occupy this position to make very many speeches. You will, however, permit me to express my appreciation to the mover and seconder, and to the committee as a whole for accepting that nomination. I have been a member of this and other committees since 1936. I am not unaware of the responsibility involved. I join very heartily in what the mover, Mr. Isnor, said with respect to the contribution of my predecessor in the chair, Mr. Tucker. I think perhaps few veteran members of the House of Commons have served the veterans of this country as ably as Mr.

Tucker has in this position. I only hope that I will be able to make a contribution with your help which will be comparable to that which he made. Thank you very much.

I think in order to avoid the possibility of a contretemps such as we have had, not having a chairman, that it might be a good idea to proceed at this point to appoint a vice-chairman for the committee so that in the case of the unavoidable absence of the chairman the committee would be equipped to proceed with its routine duties. Therefore, with your approval I will accept nominations for vice-chairman of the committee.

Mr. HARRIS: I wonder if I might be permitted not to appear to avoid this responsibility in any way but for a long time I have had Mr. Blanchette as a very close friend in this House, and I cannot think of anyone better fitted not only from the standpoint of the veterans but also from the standpoint of doing the work of the committee as vice-chairman than my good friend, Joe Blanchette. I therefore move that he be vice-chairman.

The CHAIRMAN: Mr. Blanchette has been nominated. Are there any further nominations for vice-chairman?

Mr. BELZILE: I will second that.

The CHAIRMAN: It has been moved by Mr. Harris and seconded by Mr. Belzile that Mr. Blanchette be vice-chairman. I declare him elected vice-chairman. Gentlemen, when we adjourned just before the Easter recess the committee had addressed one question and one recommendation to the minister. I think perhaps the first thing we ought to do would be to have a report from the minister on progress with respect to the recommendation which was made by the committee, and the answer to the request for direction which the committee made.

Hon. Mr. GREGG: Mr. Chairman and gentlemen: First of all I should like to express the congratulations of fellow members of the committee to the new chairman and vice-chairman, to say a good word on behalf of the ex-chairman, and also to welcome you all back after the Easter recess. In view of Mr. Tucker's resignation I did discuss the matter with a number of members of the committee informally, and it appeared to me at least it was the general wish that rather than getting together quickly last week today would be more suitable for all concerned. That is the reason that the first meeting following Easter is held today.

In response to the suggestion made by the members of the committee at the last meeting I did take up quite fully the points you asked me to. As a result of that I should like to make the following statement.

During the Easter recess and since that time the government has been giving consideration to the question of the rates of disability pensions. The representations made by the Canadian Legion and by the National Council of Veterans Associations, and organizations affiliated with that council, and also the views of the members of this committee as they appear in the record, have been carefully studied.

The government has also given careful and sympathetic consideration to the matter of helplessness allowance paid to seriously disabled veterans. Having in mind the unanimous recommendation of this committee, I am pleased to be able to tell you that the government concurs in your recommendations and legislation will be presented for the consideration of parliament accordingly.

The new maximum rate of helplessness allowance will be \$1,400, which is being increased from the present rate of \$750. The minimum rate will be increased to \$480 per annum from the present rate of \$250. This change will virtually double the allowances presently payable to this class, which represents the most grievously disabled.

Regarding disability pensions, the government cannot see its way clear at this session of parliament to go further than their present proposal, which

is now before you. This proposal represents an increase in the basic scale of pensions paid to disability pensioners and to pensioned widows of 16 per cent, and to the children of widows and wives and children of disability pensioners of 20 per cent.

The committee is aware that other amendments to veterans legislation, particularly the War Veterans Allowance Act, involving further substantial benefits, will also be introduced for the committee's consideration shortly.

I should like to add that in Canada's pension legislation emphasis has been laid on adequate provision for dependents; the widows, children and dependent parents of those who died on, or as the result of, service and the wives and children of the war disabled. In this respect I have no hesitation in saying that ours is the most comprehensive pension legislation so far enacted anywhere.

The CHAIRMAN: Gentlemen, that brings us back to the position we were in immediately before Easter.

Mr. LENNARD: Not quite.

The CHAIRMAN: There is some advance.

Mr. LENNARD: It has brought us down to earth. We know where we are at the moment.

The CHAIRMAN: We have before the committee for consideration the question of pension legislation. Since that time there has been referred to the committee the Veterans Allowance Bill. It is my intention to ask the steering committee to meet with me this afternoon at a convenient time to them when we will consider the various applications for hearings before the committee and arrange definitely the agenda for the balance of the session.

In addition to that there is another matter which will have to be dealt with in the steering committee, but we met too early to call them, and anyway there was nobody to call them until the chair was occupied. We have with us in Ottawa our perennial visitors, the widows association, the widows of the first war. There is a request which will be referred to the steering committee but I wanted to mention it to all of you here. With the approval of the steering committee it is proposed to hear them at an extra sitting this week while they are here at their annual convention. I imagine that there will be no objection to that. If there is, the representatives on the steering committee will bring that before us when we meet this afternoon.

That brings us back to consideration of the bill to amend the pension legislation. We have before us in connection with that the motion of Mr. Herdridge, which was made on March 16, that the committee recommend that the amounts set forth in schedule A and B to the Pension Act be increased by 25 per cent. Then we have Mr. Brooks' amendment of March 19, which is substantially a recommendation to increase it by 33 $\frac{1}{3}$ per cent. The general discussion is now on the motion and the amendment to the motion unless someone has any further extraneous comments to make as we begin.

Mr. WRIGHT: I should like to ask the minister if consideration was given to the matter of increasing the 100 per cent pension in cases where pensionable disabilities are greater than 100 per cent. There was considerable discussion about that and considerable representation made on the part of the paraplegics with respect to that. Did the council consider that?

Hon. Mr. GREGG: In answer to that I can state it was considered and discussed, but I remember that at the last meeting there was some discussion in this committee which did not mature. I think it was discussed as a fourth group when we were speaking of helplessness allowance. Is that not true?

Mr. WRIGHT: Yes.

Hon. Mr. GREGG: We left it by unanimous agreement that as to the helplessness allowance both ceiling and floor should be moved up. Then as to the

remainder, the very seriously disabled who are not in the helplessness group now, it was rather left in the air as to whether, by interpretation or otherwise, some recommendation might be worked out. As I did not have any definite recommendation from the committee on that group I have not mentioned it in this statement.

The CHAIRMAN: Perhaps I should have said when I was on my feet discussing the motions before us that there is a further motion before the committee. That is the motion of Mr. Green which it had been agreed would be considered after Mr. Herridge's motion and the amendment thereto had been dealt with. Mr. Green's motion was that the committee recommend that the discrimination as to rank contained in subsection 2 of section 26 of the Pension Act be removed. I did not mention that motion before because it was agreed at the last meeting that would be dealt with after we had disposed of the original motion and the amendment thereto.

Of course, the largest group of beneficiaries under the increased helplessness allowance will be the paraplegics themselves who will get the full benefit of the maximum raise.

Mr. BROOKS: I think the matter is quite clear now. We have before the committee the submission of the minister saying that the government only feels like making the recommendation that it has made, that is, a $16\frac{2}{3}$ per cent increase in the basic rates. We have a motion by Mr. Herridge for a 25 per cent increase. There is my own amendment for a $33\frac{1}{3}$ per cent increase. I think we could save a lot of time if we just dealt with those motions now and clear the deck, as it were, and get on. I do not know whether that would meet with the general approval of the committee, but it seems to me it would save a lot of time. From the minister's statement this morning we certainly know the situation and what we may expect from the government.

Mr. LENNARD: There is certainly no need for any further discussion on that line.

The CHAIRMAN: I have read the original motion by Mr. Herridge which is in simple language, and I think the members of the committee generally are informed as to the extent and nature of the amendment by Mr. Brooks. Is there any desire on the part of the committee that the amendment by Mr. Brooks should be read from the chair?

Mr. BROOKS: Substantially it recommends a $33\frac{1}{3}$ per cent increase.

Mr. GREEN: Before you go on with that, I would suggest that when we were last considering the question of increases in pension rates we had one of the officers of the department giving evidence, and he has not completed that evidence. For example, he was supposed to give us certain figures in regard to the cost of living, and those have not been completed. Furthermore, there has been some discussion in the committee on the fact that the rate was based on the lowest wage possible across Canada; in other words, the wage for common labour. I know that I personally had intended to try to get from him what the average wage across Canada would be, not only the wage for unskilled labour—

Mr. LENNARD: He would not be able to tell you about western Canada.

Mr. GREEN: You can get up and tell them that.

Mr. LENNARD: I certainly will.

Mr. GREEN: —but the average wage in industry across Canada. And it was my understanding that that officer was to get that information. Now, just why this should be voted on without getting these facts, I do not quite understand. It may be just because the government has stated that they will not grant any further increases. But that surely is not going to prevent the committee from getting at the facts. If it is, if it acts in that way, then there is

no use in the committee going into the facts on any question. All the government needs to do is to come in and say: we won't give you any further increases, and that is that; and the committee might as well vote it down or vote it through. Then we will be in the position of the government members voting for one motion and against the other, and the opposition voting the opposite way. And I do not think that is doing any service to the veterans of Canada. We are here to do a job for the veterans. We are here to get the facts on these various questions. And I do not think it is doing justice to the veterans for us just to rush through the vote because the government has said they won't go any further.

Mr. Brooks: I do not wish to be misunderstood in this matter at all. My point was this, that we have had evidence before the committee here that the government said they will give 16 $\frac{2}{3}$ per cent. Well, there is not a member of this committee who would agree that the cost of living has only gone up by 16 $\frac{2}{3}$ per cent; or that wages, even of the common labour group, have only gone up 16 $\frac{2}{3}$ per cent. We all know that the cost of living has gone up some 40 per cent or 48 per cent. We have also had evidence that the wages not only of labour but of the different services or groups, like carpenters, stone masons and so on, have all gone up all the way from 29 per cent up to 100 per cent. We have all that evidence before us. My point is this, that the increase which the government is recommending is not based at all on any evidence that we have had before this committee, and not on any evidence that is known throughout this country; and my recommendation of 33 $\frac{1}{3}$ per cent is based below the increased cost of living and the increased rise in wages. I have no objection at all to us going on and piling information on information regarding the cost of living and regarding wages, but we are not going to come to any conclusion other than the one we have already come to; and that is that the government is making too low a recommendation. I have made a practical and substantial recommendation for the situation as it is today and Mr. Herridge's recommendation is a nearer approach to what that is than what the government's is. I think we have all that information. If there is other information which the committee wishes to have I am perfectly willing to sit here for weeks and listen to it, but I do not think we are going to change.

Mr. Ross: I would like to support the contention of Mr. Brooks. He has been very modest in his presentation. Government statistics set forth today that the cost of living is at an all-time high in this country, 150.8. More than that, it is increasing at this present date. We have had considerable information placed before this committee, and I agree that no matter what officials we listen to now it is not going to alter the opinions of members of this committee as to how they want to decide this matter on the statement made by the minister this morning. There is not a member of this committee who inwardly does not want to do all he can to assist in securing better living conditions for his comrades and their dependents across this country. I am sure of that.

Some Hon. MEMBERS: Hear, hear.

Mr. Ross: Therefore, I do not think that we are hurting the interests of these people one bit if we now dispose of these resolutions. If I thought we could get any more evidence or information which might alter our decision on this matter I would be all for getting it. I do not think we should take any more time now. I am sure that we cannot get the people of this country who are studying this problem in the country as a whole to accept the government's statement that the increase they have indicated is adequate to meet the cost of living as it is today. Also, I am sure that all would agree that the cost of living is not likely to come down substantially in the near future. I think we had better vote on these resolutions which have been before us for some time and dispose of them; then we can go on and deal with the other matters before us.

Mr. QUELCH: Mr. Chairman, I do not think that this committee should be muzzled by an announcement as to what the government are prepared to do or are not prepared to do, because even governments change their minds; and I remember in the past sometimes we have been given to understand that the government was willing to go only so far and then later on they have been prepared to go further. Whatever recommendation is made by this committee should be based entirely upon the information that we arrive at after having given the matter due consideration; and then we should hope that after we have given careful consideration to a matter and come to a certain decision the government will then be prepared to give due consideration to our recommendation; and we should not be stampeded merely by the fact that the government says they will only go so far in this matter.

Mr. BLAIR: I must confess that I am absolutely at a loss to understand the proceedings of this committee. This committee is representative of various bodies. We have people come here to go over the cost of living and all that sort of thing in this committee, then we are told this morning that the government is going to give so much, and that is all. We are only wasting our time. Had the position been reversed, that this committee had studied the condition of the veteran, the cost of living and all that sort of thing and made a recommendation to the government, then I could understand it. But this morning we are told that the government is going to give so much and that is all there is to it. I do not think we are doing anything here. I think we are simply wasting our time. It is quite apparent that that is all they are going to do, and we might as well call it a day and make a protest that it is insufficient; because anything further that we do here today apparently is not going to change that decision. We are going to waste our time in debating the various motions and amendments, and I do not think it is going to change the attitude of the government.

The CHAIRMAN: Well, gentlemen, I have stated the position very definitely, but I gather from the expressions we have had that there is the suggestion that this is a change in procedure. There is no change in procedure. I suggested at the beginning of the meeting our position on the previous occasion. If it is the desire of the committee to call witnesses and continue the examination it is certainly not the desire of the chair and I am quite sure not the desire of the committee, to impede that desire. Some members of the committee took the view that we should not debate this same matter endlessly. I am now speaking of the period before Easter. So far as the chair is concerned, there is no desire or intention to hamper or restrict the work of this committee. On the point of objection raised by Doctor Blair, the committee may desire to continue the examination in the hope of bringing out supplementary material. There is no restriction at all. The suggestion that we have before us is that we take a vote and get on with it, and that suggestion came from members of the committee and not from the chair, and not by the direction of any members to the chair.

Mr. BLAIR: Further, I would like to ask the minister if any representations in future by this committee will have any affect on government policy?

Hon. Mr. GREGG: That, of course, I resent absolutely. My answer to that would be that all I can say is that as in the past, and since I have had anything to do with this matter, I know that any representations of this committee will—to use an old expression and I cannot think of any better—receive the careful consideration of the government.

Mr. WRIGHT: I think a mistake was made by somebody this morning when they went further than express to the committee what the government intended to do with respect to what is a subject of reference to the committee—the matter of helplessness allowances. Why the government should have seen fit to add anything more to that, as they did, I cannot understand. Apparently they put

this committee in the position of sitting here in a hopeless position of getting any further consideration as far as veterans are concerned. I think that was a mistake.

Some Hon. MEMBERS: Hear, hear.

Mr. WRIGHT: The minister's statement today has indicated that as far as the government is concerned they have gone as far as they intend to go, and I do not think that such a statement should have been made.

Mr. HARRIS: For weeks you people asked us to have the government make a statement.

Mr. WRIGHT: We asked you to make an announcement respecting helplessness allowances, and the statement should have been confined to that. If this committee is still free to make recommendations I would agree with Mr. Quelch and the others, I think we should stay in this committee the rest of the spring and summer and pile up so much evidence that the government would have to reconsider their position; that public opinion would force the government to do something with regard to this matter. I am getting resolutions from every village council and from every municipality in my constituency urging that something more be done. I think the public opinion in this country demands that something more be done; and I think we would be just not doing our duty in this committee if we were to fold up and take the government's statement as something which cannot be changed.

Mr. QUELCH: Mr. Chairman, I think there is a point here which should be brought out. I think it was most unfortunate that the announcement was made before the committee made a recommendation.

Some Hon. MEMBERS: Hear, hear.

Mr. QUELCH: I submit that the government's announcement should come as a result of a recommendation by this committee. It seems to me that we should have an announcement of government policy when we are considering an actual section of the bill, as to whether or not the government would accept an amendment; because we all know that we have no power to make any amendment calling for an increase in expenditure. Therefore, we should not have a statement of government policy of the kind that has been made to us until we are considering a section of the bill itself. Then we might have a statement by the minister as to what government policy would be with respect to such amendment as might be proposed. But we do not need any statement from the government in order to make a recommendation in this committee. And members of this committee should not be governed one way or another by a declaration of what the government says they might be willing to do. It is as a result of our recommendations which we make to the government that their position should be indicated. Therefore, I hope that the members of this committee, whether they are Liberals or not, would vote the way they thought they should vote on this question of pensions; and then when we are dealing with the bill that may be the time the government will state its position in the matter. As far as both of these resolutions are concerned, every member of the committee should vote the way he thinks will secure a fair deal for the veteran.

Mr. HARRIS: I certainly have not any reason to want to delay the work of the committee in securing of evidence necessary to arrive at a proper conclusion. I have listened to the arguments from the last two speakers. I do not need to go over the record, everybody's memory is perfectly clear. But even at the last meeting we were having requests from members of the committee that the government should state its position so that the committee might know where they were going.

Some Hon. MEMBERS: No, no.

The CHAIRMAN: Yes.

Mr. HARRIS: Now, with respect to the other matters which have been challenged: first, the statement that the Prime Minister should not have made any announcement about the pension increases back in September; secondly that the government should not have made any announcement regarding the increases in February, and thirdly that it should have been left to this committee and not to parliament to arrive at those decisions, I would say that the veterans of this country would not have liked to see these matters put off for so long. Whether what will be done will be adequate is one thing; but I do not think it is the business of this committee to complain that the government has taken too much action.

Mr. BENTLEY: Mr. Harris said that the memory of the committee would convince the committee that we have asked for this kind of declaration. My memory does not serve me that well and I would like to point out that I am supported by the evidence. Mr. Harris can look at the minutes of proceedings—and here is my copy if he has not got his own copy with him—and I say that the government was not badgered into making a statement of this kind.

Mr. HARRIS: Yes, but I can remember some member of the committee asking if the government was yet prepared to make an announcement to the committee regarding what the government was going to do about the basic pension.

Mr. BENTLEY: Some member might have made such a statement, wishing to know something for himself, but the committee certainly did not badger the government into making a statement of that kind. I agree with Mr. Wright, Mr. Quelch and Mr. Green, that if the government is going to take a hard and fast position and is not going to be influenced by the decisions of this committee, then we had better pile up enough evidence to prove to the country and to the government that the raising of the pension is justified.

Mr. FULTON: I think we are wasting our time and I feel as do Mr. Wright, Mr. Green, Mr. Quelch, and Mr. Bentley, that we should consider all matters having to do with the basic rate of pension before going on with these resolutions. I do not quite agree with Mr. Harris that we are tied in any way to the basic pensions and I would like to read what Mr. Harris himself said at the last meeting regarding this matter. At page 123 of the evidence Mr. Harris said:

Mr. Chairman, may I speak to the motion? Remember that the art of politics is the art of the possible, and any recommendations we make are bound to be considered by the cabinet, as we all know. I do not see how we can agree on the basic rate very quickly. I may be wrong in that, but I do think that there will be a protracted debate on it. On the other hand, the sooner we feed to the cabinet conclusions on those things that we can and the sooner we get them bounced back to us with their approval or disagreement, which we can knock down if we choose to do so, the better. My point was entirely that the procedure is entirely in the hands of the committee, and my motion was not with regard to the amount of the helplessness award; it was a procedural question, that we take into consideration that question, and then after that motion is carried, if it is, I am prepared to move an amount and hope that we can settle that question today and get it to the cabinet so that we would know where we stood later on.

All that was referred to the cabinet on Mr. Harris' own suggestion was the question of the helplessness allowance, so I submit that we are no further forward with regard to the basic pension and that we should continue to hear evidence on that matter. I do not think it is a question of whether the cabinet is entitled to pre-judge the matter of basic pensions when in fact the steering committee has not even dealt with it. It is a point with which this committee should deal and if we wish to do so we may pass a motion of censure of the cabinet. My suggestion is that we get on with the question of the basic pension.

Hon. Mr. GREGG: May I say a word? I assure the committee that there is no intention on my part to go beyond the terms of reference. I would like to read a portion of the evidence, being Mr. Green's remarks in the discussion which occurred at the last meeting. I took it from the discussion that the general view of the committee was along the lines of Mr. Green's remarks and I will leave it to the committee to decide whether that is correct.

Mr. GREEN: From what page are you reading?

Hon. Mr. GREGG: Page 125.

This is simply an attempt to sidetrack the basic pension question, and the main job before this committee at this session is to decide on the basic pension. That affects thousands and thousands of veterans, and that is the point we have got to settle. I would hope we could agree on a recommendation, or if we cannot agree, let us vote on it and decide what the majority of the committee want on this question of basic pension and give the cabinet time to consider it over the Easter recess. That is what we want. That is the main issue.

I agree that the actual vote was not taken but in the supplementary discussion I gathered that it was the desire of this committee to have an expression by the government.

Mr. GREEN: With all due deference to you, Mr. Minister, I would suggest that you should be the very last man in the committee to try and rush this thing through when the evidence is incomplete.

The CHAIRMAN: Well, now that is hardly fair.

Mr. GREEN: For years it has been an understanding in this Veterans Affairs Committee that we were free to discuss things which the committee felt should be discussed, regardless of whether the government or the cabinet might feel differently on these particular questions. I am quite sure you, yourself, Mr. Minister, took that attitude when the committee was set up in the House. I have not got *Hansard* with me but I am quite sure that it was your belief that there should be the fullest discussions and every freedom to the committee on this matter of basic pensions. Now this committee, for some reason, has gone off the track. I think one reason may be that the steering committee has never been called together.

The CHAIRMAN: They have had two meetings.

Mr. GREEN: Well, certainly the steering committee was not consulted about what was to be done today, or on the last day when the helplessness allowance question was thrown to us. It was put before us without anyone being given a warning or any opportunity to make preparation. Now, if the work of this committee is to be successful there must be a new course adopted. I would suggest to you, Mr. Chairman, and to you, Mr. Minister, that the steering committee be called together to iron out the procedural difficulties and to arrange the subjects which are to be discussed in our meetings.

The CHAIRMAN: Before you go any further, when I occupied the chair I mentioned that the steering committee would meet this afternoon. Unfortunately, there was no chairman in the interval before this meeting and therefore there was no one to convene a meeting of the steering committee. As a lawyer, Mr. Green, you will appreciate that point.

Mr. GREEN: Well, you could have appointed a chairman and discussed these questions. I remember that in 1945 and 1946 we had a steering committee in which, by the way, the opposition members were in the majority. That steering committee made it possible for the main committee to carry on its work very efficiently. It saved us a great deal of time and trouble and prevented many delays. I think that this committee must function similarly. If it does not function in that way, as Mr. Ross has said, our work is bound to be

stymied. We have had this information on basic pensions and when we come to consideration of the war veterans' allowance we will have the same thing—the government or the minister will walk in and say, "sorry, the government is not prepared to go a step further". Then someone else will get up and say "what is the use of talking about it then; we might as well vote and get on with our other work". The matters of basic pensions and the war veterans' allowance are the two main jobs before this committee. I do not think anyone will disagree with my statement there. If those matters are to be pushed aside and closed off because the minister or the government makes a statement, then we had better fold up and get on with our other work because certainly on the basic pension question I was left high and dry. I wanted to find out from the government expert when he was here the other day what the average wages across Canada were. The gentleman did not have the figures, but I understood that he was going to prepare a statement for us.

The CHAIRMAN: He is still available to the committee.

Mr. GREEN: If we shut off now we will be closing without that point settled and we will be voting without having the facts.

The CHAIRMAN: Gentlemen, the proposal that we proceed with the motion at the present time does not, in all fairness, come from any member of the committee who is supporting the government. It was a sort of cry of despair which arose after the minister made his declaration. Frankly I do not understand that mental attitude. The bill in itself is a statement of government policy but the first recommendation which this committee made regarding an increase to that bill has been accepted by the government and the minister has so declared himself this morning. Nothing has taken place, either this morning or at the last meeting, which would justify the statement made to the committee which indicates that the chair or the minister is desirous of forcing this thing to a conclusion. The committee is perfectly free to adopt whatever procedure it sees fit. With respect to the steering committee I would say that it has met twice. We decided in the first instance to proceed with this particular bill as it was the only thing we had before us. The committee itself agreed that it wanted further evidence. At each meeting we have had someone suggest that we have a vote on these other matters and get on with the consideration of the bill itself. That proposal has come, not from the chair, nor from the supporters of the administration in the committee, but from the committee itself. I cannot understand why there should be this attitude of concern. There is nothing to prevent any member of this committee from having further evidence given. I understand that the gentleman who was giving evidence at the last meeting is not present this morning but I will undertake to see that he is here if his presence is desired. That applies to any other official of the department whom the committee might wish to question. I wish to emphasize that statement. If the declaration made by the minister results in the committee as a whole saying "we cannot get any further and let us take what we can get and quit", that is up to the committee itself. There is no compulsion from the chair or from anyone else; and to make it appear that there is compulsion by anyone is foolishness.

Mr. BROOKS: My suggestion that we proceed with the vote was not any cry of despair. I consider that we have had evidence enough to substantiate the motion which I made.

The CHAIRMAN: I appreciate your view.

Mr. BROOKS: I am not naive enough to believe that further evidence which might be brought before the committee will influence it to any extent. Frankly, I believe that if a vote was taken today it would have the same result as if it occurred two weeks from now after having heard additional evidence. We know the situation across the country. We know conditions in Canada as far as labour

and cost of living is concerned, and you could bring in witness after witness for the next month, or the next two months and it will not change my idea of the situation. I do not think it will change the attitude of any member here. My own opinion is \$100 basic pension rate is very reasonable and that there is evidence now before this committee to substantiate that rate. I would feel that if the members of the committee voted according to their consciences the vote would substantiate that basic rate. Well, Mr. Chairman, I have given the reasons why I suggest voting now instead of voting at some time later.

Mr. QUELCH: I am sorry that the steering committee did not meet because I had a recommendation to make to that committee. However, I will say now that when the amendment was first moved there was some suggestion that we take a vote. I did not take the stand that we should vote then but I took the stand that we should have a thorough investigation of the whole question of basic rates of pension so that any recommendation which we might make would have some weight with the government. So far all the evidence which we have had from the veterans' organizations and from the departmental officials of the government substantiate a demand for an increase of more than 16 per cent. Therefore, at this time I am not in favour of taking a vote. I think before we call for a vote it is the responsibility of the government to bring witnesses before this committee to substantiate their own increase of 16 per cent. Let them bring witnesses before this committee to say that an increase of 16 per cent is a fair increase. If that cannot be done by the government I would say that this committee should unquestionably support an increase of more than 16 per cent.

Mr. Ross: I would like you to keep in view just what has transpired during this past week. At the first organization meeting of this committee I well remember nominating a sub-chairman. I am not prepared to say there was nobody that could have called a meeting of the steering committee, and I think the minister might well have done so under the circumstances. However, I remember rising and nominating a sub-chairman and pointing out that the then chairman, Mr. Tucker, had many other obligations and I pointed out what might happen this spring. If my suggestion had been followed there might have been a difference in our activities in the past week. It is apparent that we are not going to be able to do much at this sitting. The officials are not here to give further evidence, and I think we are all prepared to admit that we made a mistake at the first meeting in not developing the organization a little further. I would suggest that in all fairness we now rise and that the steering committee prepare a proper plan to eliminate the necessity of the committee sitting here jangling by the hour over procedure.

It has become quite evident at this time we cannot receive the further evidence so many of the members of the committee require before a vote is called. Therefore, I would move the committee adjourn and that the chairman now call the steering committee together and try and get things in some better form.

Mr. W. S. Woods: Mr. Chairman, I appreciate that a motion to adjourn is not debatable and I am not going to debate it. I would point out to this committee that I should like to have some information from you as to what evidence you desire. Mr. Green spoke to me this morning stating he expected the statistician to be on hand again to give certain information requested by him. The committee clerk tells me that all the information requested by this committee has been filed.

Mr. GREEN: It may have been filed, but it has certainly not been given as evidence. The statistician may have filed it, but we want an opportunity of cross-examining him.

Mr. Woods: Our statistician is not an expert on wage schedules. He is not an expert on the cost of living. If this committee will give some indication to my department as to the type of expert you desire, certainly we will arrange for that expert witness to be present.

Mr. Ross: May I say, in answer to Mr. Woods, that I am not one of those asking for further information before this vote is taken. However, I am not one who desires to shut off the discussion at any time before the vote. I am merely making this suggestion in order that those who have made requests may obtain all the information they desire. I am sure the steering committee can let you know in very short order what other evidence is required. Is that fair enough?

Mr. Woods: That is fair.

The CHAIRMAN: Although the man who gave evidence on this matter the last time is not here this morning, we have the chairman of the pension commission and his assistant, both of whom have previously been heard. I have no strong feeling on the matter as to whether we adjourn at the present moment or not; that is in the hands of the committee. I was going to ask for an early adjournment a little later anyway, so that is of small importance. If there is something which the committee can give by way of direction to the deputy minister, the chairman of the pension commission or to the minister, himself, who is present, as to the kind of evidence they desire to hear I think that would be desirable. Then, we would not have someone rising at a future meeting and saying the man I want to question is not here or there is no one here who can give me the information I require.

Before I put Mr. Ross' motion that the committee adjourn, I should like the committee to have an opportunity of indicating to the chair, the deputy minister and the chairman of the pension commission the type of information which is required in order that it may be forthcoming.

Mr. FULTON: Is not that the steering committee's job?

The CHAIRMAN: Yes, in a sense it is, if the steering committee can speak uniformly for the committee as a whole. However, it is not going to narrow or restrict the authority of the steering committee in any way for any member of the committee to give that information now. After all, each member of the committee is as important as the other. If any member of the committee has a line of questioning which he proposes to follow, I think that should be indicated now.

Mr. Ross, in his speech introducing his motion, implied that last week the steering committee had no meeting, and that it was the result of lack of organization. Actually, the fact there was no meeting last week was primarily caused by a matter of courtesy, part of which was extended to Mr. Ross himself. The minister did meet with members of the steering committee, I think of all parties, requesting them to indicate when it would be desirable to start. Important groups in this committee, including Mr. Ross, were not here and it was at the suggestion of opposition members that the committee did not meet until today.

Mr. SKEY: I have not spoken as yet—

Mr. HERRIDGE: I believe Mr. Woods has requested suggestions as to the type of evidence we wanted. I think I am quite safe in saying that a number of members of the committee would welcome the government placing witnesses before the committee supporting the government's proposals and indicating that the government's proposals are sufficient, if that is possible, for the veterans of this country.

Mr. SKEY: Mr. Herridge has said what I intended to say. I believe one matter which this committee could refer to the steering committee unanimously would be that this committee desires to see the government substantiate its

case that 16½ per cent is an adequate increase for the pensioner today. The minister is here and the chairman of the pension commission is here, so I would say that would be a direct request from this committee to the government. Anything further could be left to the steering committee.

I am one of those, Mr. Chairman, who believes that this pension is almost pitifully inadequate and I would support Mr. Brooks' motion wholeheartedly whether he was of my own party or any other party. I feel, too, that one of the saddest things which has happened this morning is that the National Council of Veterans' Associations were prepared to believe that this committee would completely discuss the pension matter. I understand they have sent a telegram to the government endorsing the holding up of the cheques, saying they were perfectly happy to endorse the action of this committee in withholding those cheques in the hope the pension situation would receive the fullest discussion and possibly some increase would be recommended by this committee. As a matter of fact, I have a copy of the telegram in my hand which was sent to Mr. Tucker. I feel that telegram should be read into the record. I suggest the government do that at the next meeting if a copy of it is not available at the moment.

I shall not detain the committee any further except to endorse what Mr. Herridge has said wholeheartedly, that the government be asked to substantiate its case.

Mr. HARRIS: I rise to second the motion, not debate it. It seems to me there is a good deal to be said both on the side of having a long discussion and on the side of having a vote now. Mr. Skey has just said he is going to vote for the motion of Colonel Brooks. While he did not say so, the inference was that he would do so regardless of the evidence which might be produced in the future.

Mr. SKEY: That is my opinion at the moment.

Mr. HARRIS: We have a caveat; that is his opinion at the moment.

Mr. GREEN: You changed your opinion.

Mr. HARRIS: I have not changed my opinion yet.

Mr. LENNARD: What is your opinion?

Mr. HARRIS: My opinion is this; that about twenty minutes to eleven, having completed the preliminaries, the chairman threw the meeting open for discussion as to what we should do this morning. It was immediately suggested by at least three members of the opposition we should delay no further but should take these votes.

Mr. BROOKS: That was after the minister had made his statement.

Mr. HARRIS: Yes, I said it was immediately after the preliminaries and the minister's statement. I do not recall that a member of the government made the suggestion we should immediately take these votes. Further, there appeared to be dissension in the ranks of the official opposition because since about twenty minutes to eleven we have had arguments here between the members of that party as to what we should do.

Mr. LENNARD: I beg your pardon?

Mr. ROSS: We have had that in every committee since I have been here.

Mr. HARRIS: I am joining in the motion in the hope that before the next meeting, not only will the steering committee have met, but there will have been a caucus of the members of the official opposition and they will be able to agree as to whether we should have a vote or not.

Mr. PEARKES: Is this committee to be divided into opposition and government supporters? I thought we were here to consider these veterans problems, quite irrespective of politics. I have never considered myself bound to follow

the lead given by any member of the party to which I happen to belong in the House. I am here to do the best I can for the veterans, and I resent the remarks made by the previous speaker attempting to divide this committee into government supporters and opposition members.

Mr. Ross: I should like to say a word on the same question. If there is one thing I have spread across this country at every opportunity in the past, it is that the members of this committee do not divide on political lines. It is the one committee out of all the committees of the House of Commons of which I am a member in which that is true. I have been proud of that fact. I am sorry Mr. Harris has interjected that at this time. He may not have been very serious about it, but it is bad publicity to go across this country from this committee which has done such fine work.

The CHAIRMAN: Excuse me for a moment, but Mr. Pearkes raised a point which I think is very well taken. This committee has not been a politically-minded committee.

Mr. GREEN: Tell Mr. Harris that.

The CHAIRMAN: I will deal with Mr. Harris in his turn. Manifestly, this has not been that type of committee. I must say I have heard more,—perhaps I participated in it to some extent,—division on party lines this morning than in all the previous sittings of the committee which I have attended. I feel that grows out of a perfectly natural situation and I do not take too dim a view of it.

So far as the stricture by Mr. Ross of Mr. Harris is concerned, I think if you read the minutes of this meeting carefully you will find that for the one offence—if it was an offence, it was a jocular one by Mr. Harris—there is ample precedent set by others in this morning's meeting. I hope we can get away from that. If the committee has finished giving instructions—

Mr. Ross: We will forgive him if it does not happen too often.

The CHAIRMAN: If the committee has no further instructions to give the officers while they are here, I shall put Mr. Ross' motion.

Mr. LENNARD: There is just one matter which has nothing to do with the present controversy, but as one member of the committee I should like to know what latitude will be given to the committee during future meetings—perhaps this is a matter for the government or the steering committee to consider—but are we going to be able to discuss other veteran matters which I feel need some attention, such as the concession given to the Red Cross girls who served overseas. I believe that is a problem which should be taken up by this committee. There are other problems and I should like to know if we are going to be able to discuss them at future meetings after these more or less important points are cleared up?

The CHAIRMAN: At the first meeting of the steering committee, it was decided we would proceed with the two bills which were referred to us in the order in which they were referred to us. At that time the steering committee did not have a list of all those who desired to appear before us. In view of the fact all of the representations were not in, we did not decide on the order of hearing. The terms of reference permit us to hear representations from anyone we choose. I believe all the groups who appeared before the 1946 committee—I think I am right—have asked to be permitted to make representations.

In addition to that, as I announced earlier, the widows of the first war are in town and desire to appear here. The steering committee will discuss that. At the moment, we seem to have our hands full. The steering committee will decide whom we will hear and recommend to this committee the order

in which we should hear them, keeping in mind the convenience of those who wish to come. At the moment, Mr. Lennard, we seem to have our work cut out for us with these two bills.

Mr. LENNARD: I do not want them side-tracked.

Mr. FULTON: Could we repeat the request for a decent meeting room before we adjourn? Has any progress been made along that line?

The CHAIRMAN: The only progress to date has been we have got this room which is larger than the one we had formerly. We are all concerned with that. As it gets warmer this place is pretty unbearable. I assure you the committee will do their very best. There are a large number of committees and we have to take the best we can get.

Mr. BENTLEY: If it transpires we have to have this room, then the internal arrangement could be completely altered by somebody who knows how to do that. He could probably do a good job. I could suggest one or two improvements myself. These tables could be split. It might be a little bit crowded but there would certainly be more seats. The head table should be down there where we can face toward it. The way it is now it is most uncomfortable and inconvenient. I am sure somebody could rearrange this room.

The CHAIRMAN: The clerk tells me this room will not be available after the 19th when the Senate sits again. There is one other matter which I wish to put before the committee rather than wait for the steering committee. I assume that we should sit at least twice a week. Therefore we will meet Thursday morning.

Mr. BENTLEY: There is an invitation to go to see the military warehouses on Thursday morning.

The CHAIRMAN: I am aware of that. I am in the hands of the committee. I did not anticipate that would transcend the importance of this committee. The other matter is that I would like an expression from the committee as to whether or not the steering committee would have your approval if we agree to have an extra sitting beginning at 4 o'clock on Thursday of this week to hear these war widows. Their recommendations are largely with respect to the War Veterans Allowance Act. They are here at their annual convention. They are here at the moment at their own expense. As a courtesy the committee has always heard them. I fancy the steering committee will recommend it. I should like you to know that will be the reason why if we call a meeting on Thursday afternoon.

There is a motion before the committee by Mr. Ross to adjourn. I declare the meeting adjourned. Will the steering committee meet in my office this afternoon?

Hon. Mr. GREGG: I know the motion is carried. This is quite informal. As one who received a little mild censure for bringing in too much information a little while ago I would like to say to the members of the committee that as I think back I feel that was the desire. Apart from that is it then the desire that the steering committee take as No. 1 the demand that was made by members of the committee that the minister bring forward information not necessarily to justify the government increase, but the information which was considered when the increase was made? Is that the desire? I am speaking on behalf of my officials.

Mr. GREEN: I think that had better be left to the steering committee.

Hon. Mr. GREGG: Let us have it understood. Somebody suggested it over here and nobody refuted it.

Mr. GREEN: I think that had better be left to the steering committee.

Mr. ROSS: When I moved to adjourn I thought it was understood **very** clearly that all arrangements would be made by the steering committee.

Hon. Mr. GREGG: I am satisfied with that if it is understood.

The CHAIRMAN: I should have announced that I have asked Mr. Blanchette to replace Mr. Tucker on the steering committee.

The meeting adjourned to meet again on Thursday, April 15, 1948.

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SESSION 1947-1948
HOUSE OF COMMONS

SPECIAL COMMITTEE
ON
VETERANS AFFAIRS
1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 6

THURSDAY, APRIL 15, 1948

WITNESSES:

- Mr. W. S. Woods, Deputy Minister, and Mr. E. J. Rider, Research Adviser, Department of Veterans Affairs;
- Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission;
- Mr. Herbert Marshall, Dominion Statistician, and Mr. H. F. Greenway and Miss M. E. K. Roughsedge, of the Dominion Bureau of Statistics;
- Mr. Harry Hereford and Mr. R. M. Cram, of the Department of Labour;
- Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board;
- Mrs. Margaret Wainford, President, and Mesdames Ethel Darville, Ada Fuller and Helen Hickey, Canadian Non-Pensioned Veterans' Widows.

MINUTES OF PROCEEDINGS

THURSDAY, April 15, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Croll, Cruickshank, Dickey, Emmerson, Fulton, Gauthier (*Portneuf*), Gregg, Green, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, Marshall, Moore, Mutch, Quelch, Ross (*Souris*), Skey, White (*Hastings-Peterborough*), Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister, and Mr. E. J. Rider, Research Adviser, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. Herbert Marshall, Dominion Statistician; Mr. H. F. Greenway, and Miss M. E. K. Roughsedge, of the Dominion Bureau of Statistics; Mr. Harry Hereford and Mr. R. M. Cram, of the Department of Labour.

The Chairman presented a report of the Steering Committee dated April 13, which reads as follows:

Your Steering Committee met on Tuesday, April 13, and recommends:

1. That the Committee meet regularly at 11.00 o'clock a.m., on Tuesday, Thursday and Friday of each week.

2. That a special meeting of the Committee be held at 4.00 p.m., on Thursday, April 15, to hear a delegation from the Canadian Non-Pensioned Veterans' Widows.

3. That the Committee proceed with consideration of the motion and amendment, now before the Committee, relevant to the Schedule to Bill 126; that witnesses from the Departments of Veterans Affairs and Labour and from the Dominion Bureau of Statistics be heard at the next meeting respecting cost of living wage indices in relation to pension rates; and that any further representations on disability pensions which veteran organizations may wish to make be then heard, following which Bill 126 be taken up clause by clause.

On motion of Mr. Croll,

Resolved,—That the report of the Steering Committee be concurred in.

On motion of Mr. Bentley,

Ordered,—That the report of the Commission appointed under the provisions of Part I of the Inquiries Act by Order in Council P.C. 4980 dated December 4, 1947, as amended by P.C. 75 dated January 8, 1948, tabled on March 10, be printed as *Appendix "A"* to this day's minutes of proceedings and evidence.

The Chairman produced a telegram dated March 22 from the National Council of Veteran Associations addressed to the then Chairman, Mr. Walter Tucker, and Mr. Tucker's reply thereto of the same date, which was ordered to be printed as *Appendix "B"* to this day's minutes of proceedings and evidence.

Messrs. Marshall, Cram, Hereford, Rider, and Miss Roughsedge were called, heard, and questioned.

Mr. Rider tabled a statement, *Index Numbers of Wage Rates for Unskilled Factory Labour, Male*, which was ordered to be printed as Appendix "C" to this day's minutes of proceedings and evidence.

Mr. Marshall undertook to furnish the Committee with certain further information.

The witnesses retired.

At 12.50 o'clock p.m., the Committee adjourned until 4.00 o'clock p.m. this day.

AFTERNOON SESSION

The Committee resumed at 4.00 o'clock p.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Blanchette, Croll, Cruickshank, Emerson, Fulton, Green, Herridge, Lennard, MacNaught, McKay, Marshall, Moore, Pearkes, Quelch, Skey, Viau, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister of Veterans Affairs; Mr. J. L. Melville, Chairman Canadian Pension Commission; Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board; Mrs. Margaret Wainford, Dominion President, Mrs. Lillie Caunt, Dominion Secretary, and Mesdames Ritchie, Whitworth, Darville, Lowther, Lambert, Hickey, Fuller and Blennon, of the Canadian Non-Pensioned Veterans' Widows.

Mesdames. Wainford, Darville, Fuller and Hickey were called, heard and questioned.

Messrs. Woods, Melville and Garneau were called and questioned.

On motion of Mr. Lennard,

Resolved,—That the travelling expenses of the delegates be paid by the Committee.

The witnesses retired.

At 5.40 o'clock p.m., the Committee adjourned until Friday, April 16th at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

ERRATUM

Since filing the tabulated statement *Index Numbers of Wages and Living Costs 1919-1947* this day Mr. Marshall, Dominion Statistician, has informed the Clerk of the Committee that the last figure indicated therein, viz 104.9 should be 107.1. This correction will necessarily affect the evidence based thereon.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 15, 1948.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, please come to order. The first order of business this morning should be, I think, the report of the steering committee which met immediately after our last meeting. It is in these terms:

(See minutes of proceedings):

The first order of business would be the acceptance of the committee of the report of the steering committee.

Mr. CROLL: I move that the report be accepted.

Carried.

The CHAIRMAN: Gentlemen, early in our proceedings the report of what is known as the McCann Commission was tabled with the committee and there has been a request to have the report published as an appendix to the minutes of this meeting. Is it the wish of the committee with respect to that matter that this shall be done; is it generally considered to be desirable?

Mr. ROSS: Mr. Chairman, I think the report should be printed. I wonder if we are to have an opportunity to discuss the report. I think some members of the committee would be prepared to tell us something of their experience on that investigation sometime. I know that Dr. McCann admitted to me that he would be prepared to have somebody do that.

The CHAIRMAN: I should hope, Mr. Ross, when we come to consider these extraneous representations—extraneous to these bills which we have before us—we will have a full opportunity to discuss such matters as this. There are possibly two members of this committee who were members of that committee and I do hope we will have an opportunity to hear them. My thought in bringing this matter before the committee at the moment is that several people have mentioned they would like to have an opportunity to study the report in the interval. I will entertain a motion to have it entered as an appendix.

Mr. BENTLEY: I move that it be printed as an appendix.

Carried.

(See appendix "A").

The CHAIRMAN: Very well. It will be published in today's minutes.

There was some mention made at our last meeting by Mr. Skey to a telegram which had been addressed to my predecessor, Mr. Tucker, as chairman of this committee, on the 22nd of March. Mr. Skey asked if we were aware of the contents of that telegram and the reply to it. It is lengthy. It was replied to by Mr. Tucker and the reply is here. I think, perhaps, it should be included in the minutes as an appendix to today's meeting. With the consent of the committee I shall order that that be done.

(See appendix "B").

Now, gentlemen, we have with us today, following a recommendation of the steering committee, the Deputy Minister of Veterans Affairs, Mr. W. S. Woods, the chairman of the Pension Commission, Mr. Melville, and the assistant chairman, Mr. Conn; also we have with us Mr. Herbert Marshall, the dominion statistician, and accompanying him we have two other gentlemen, namely, Mr. Greenway of the Bureau of Statistics and Mr. Harry Hereford of the Department of Labour. Again at the request of some of the members of the committee we have with us also, Mr. Rider of the Department of Veterans Affairs, who gave us some assistance formerly when we were discussing the question of the motion and the amendment thereto which is before the committee.

If there is no new business arising from the desires of members of the committee we will now proceed with that discussion.

Mr. GREEN: Mr. Rider was in the middle of his evidence at a previous meeting.

The CHAIRMAN: Is it the desire of the committee to call Mr. Rider?

Mr. GREEN: Why could we not finish with him?

Mr. WOODS: Mr. Chairman, I suggested the other day at Mr. Green's request for further statistical information, I think on wages and cost of living, that the logical department to provide that information was the Bureau of Statistics, a branch of the government established for that purpose; and that any information Mr. Rider furnished he, in turn, would have procured from the Bureau of Statistics. Mr. Rider told me he had finished his presentation here, and unless there is some specific question relating to what he has already said which the committee would like to put to him, I suggest that whatever information Mr. Green or any other member of the committee had in mind be now procured from the Bureau of Statistics. There are representatives of that branch here.

The CHAIRMAN: Mr. Marshall is here, gentlemen.

Mr. GREEN: The only difficulty is that Mr. Rider has already given half of the picture and my understanding was that he was going to try to get further information which we requested in order to complete that picture.

The CHAIRMAN: Mr. Rider, is there any of the information you had undertaken to procure for the committee which you have not yet given to the committee?

Mr. RIDER: I have one schedule which I did procure from the Department of Labour which was the index numbers of wage rates for unskilled labour in manufacturing industries. I can table that.

Mr. GREEN: Can we have that?

The CHAIRMAN: Yes, would you do that?

(See Appendix "C")

Then, I think since you received that information from the Department of Labour or in collaboration with the Bureau of Statistics—we have representatives here—any questions might be directed toward the source from which the information comes. We will have that tabled.

Mr. FULTON: Could we have Mr. Rider read it so that we might be in a position to question him upon it? Will it take very long?

The CHAIRMAN: Yes; that would be the most effective way unless he has the statement for distribution. I see that this is a schedule set up in the year 1911, 47-1. There is a covering letter.

Mr. FULTON: Could we have the figures for 1925 and the last figure available?

The CHAIRMAN: The figure for 1925 given here is 92-4.

Mr. GREEN: Is that a monthly or weekly figure?

Mr. RIDER: That would be an annual average.

Mr. FULTON: It is an index number?

Mr. RIDER: Yes, sir.

The CHAIRMAN: The last number shown is 1946. The index number is 165.9.

Mr. FULTON: That is an increase of 73 point something.

The CHAIRMAN: These are figured on the 1939 rates being 100.

Mr. CROLL: I am confused. I do not know what this all means. I have not the slightest idea.

Mr. CRUICKSHANK: Why not let the man explain it himself?

The CHAIRMAN: Gentleman, this communication was obtained by Mr. Rider at the request of the committee from the research and statistics branch of the Department of Labour who signed this memorandum. Mr. Rider simply has brought it. The man who furnished the figures is here for questioning. Mr. Rider, have you anything you can add to this?

Mr. RIDER: No, sir.

The CHAIRMAN: Mr. Rider says he has prepared no explanation of it because the Department of Labour and the Bureau of Statistics furnished the figures. Their representatives are here. Mr. Marshall is here.

Mr. GREEN: Is this the officer who furnished those statistics?

The CHAIRMAN: These are Department of Labour figures. Mr. Marshall suggests that he has some figures on a somewhat different basis which he thinks he can explain to the satisfaction of the committee more equitably.

Mr. GREEN: Now, figures have been submitted by Mr. Rider. We would certainly like to have a look at them or just have them explained, but we have had neither. You have read a few extracts that nobody could understand.

The CHAIRMAN: Least of all myself.

Mr. GREEN: I think we should have an opportunity to clarify this statement before we go on with a witness who knows nothing whatever about it.

The CHAIRMAN: Mr. Green, Mr. Rider said a moment ago that he had nothing to add. Now, Mr. Rider, will you come back and say that out loud?

Mr. GREEN: Apparently Mr. Hereford is the man who prepared that statement and you are not calling Mr. Hereford; you are calling someone else.

Mr. CROLL: Well, call him.

Mr. GREEN: Why not deal with one thing at a time? We asked for information last week. It is brought by Mr. Rider today. He has not explained his statement. Surely we are entitled to have an explanation from the person who prepared that statement before we get mixed up with other statements.

The CHAIRMAN: Mr. Hereford says that these figures are based on a study which is to be given and explained by the chief statistician, and he has nothing to add to it. These were simply the figures drawn off. An explanation, I understand, is available to the committee from the man who knows. Mr. Rider performed a service in requesting these figures and tabling them.

Mr. GREEN: Could we have a look at that statement?

Mr. CROLL: It will go on the record.

Mr. GREEN: Yes, it will go on the record and we will see it about a week from today.

The CHAIRMAN: I think when we have had an opportunity to question the source of these figures we may all be more enlightened. Now, is the committee ready to proceed with the examination of witnesses whom the committee has

asked us to call? Mr. Marshall tells me he is prepared to make a statement with respect to the request which came from the committee which might give some lead.

Mr. H. Marshall, Dominion Statistician, Dominion Bureau of Statistics, called:

The WITNESS: Sir and gentlemen, I understand that the parliamentary committee desires to have some information concerning the fluctuations in wages and living costs from 1919 to date. Therefore, we are presenting three series of index numbers which I shall describe briefly.

There are two essentially different bases of comparing fluctuations in wages and living costs in Canada since 1919. The statement appended to this memorandum shows both of these records in relation to corresponding movements in living costs. All figures in this statement are expressed as index numbers which are simply percentages related in all cases to the year 1919. For example, the cost-of-living figure of 104.9 for 1947 indicates that living costs as defined below were 4.9 per cent higher than in 1919, $(100.0 + 4.9)$. The figure of 74.6 for 1933 indicates a decline of 25.4 per cent between 1919 and 1933, $(100 - 74.6)$. For purposes of showing fluctuations over considerable periods of time, percentage figures give a much clearer picture than absolute figures.

The year 1919 is not ordinarily used as a reference level for price-wage comparisons, because it falls in a period of unsettlement when relationships between prices and wages were abnormal. At that time prices were rising faster than wages. Figures in the appended statement have been related to 1919 because veterans' pensions were established in that year.

It will be noted that the two sets of wage indexes show fluctuations of different percentage amounts. It is important, therefore, to know exactly what these figures mean, and likewise to have the cost-of-living index defined. This information is given in the following notes:

A. Wage-rate index numbers for unskilled factory labour, male.

These figures have been constructed by the Dominion Department of Labour to measure year-to-year changes in hourly rates of wages received by unskilled factory labourers. This is the best available measurement of fluctuations in rates of wages paid to labour without special skills. The movements in this series should approximate changes in earnings of a wage-earner working exactly the same number of hours each week under the same terms of employment.

B. Index numbers of average earnings in manufacturing industries.

This record shows changes in the average gross amount received by wage-earners and salaried employees in manufacturing. The inclusion of salaried employees probably reduces by several percentage points the rise which a separate record for wage-earners would show. This series is affected by many factors in addition to fluctuations in rates of pay. It will be influenced by such things as changes in the proportions of male and female workers, changes in hours of the work-week, different amounts of short-time and over-time, and any other factors affecting aggregate payments of wages and salaries in relation to numbers employed.

C. The cost-of-living index.

This series measures the influence of changes in retail commodity prices, home rentals, and rates paid for various services which go to make up an urban wage-earner family budget. It measures the influence of changes in prices, rents, etc., upon essentially the same standard of living throughout the period 1919 to 1947. It does not take into account differences in living costs resulting from changing living standards.

INDEX NUMBERS OF WAGES AND LIVING COSTS, CANADA 1919-1947
(1919=100)

Year	Wage rates— unskilled factory labour— Male	Average earnings of wages and salaried workers	Official cost of living
1919	100.0	100.0	100.0
1920	119.6	118.3	114.9
1921	105.8	112.3	102.7
1922	101.6	106.2	95.2
1923	100.9	107.5	95.4
1924	101.7	108.7	93.9
1925	103.4	108.1	94.7
1926	104.0	110.5	96.3
1927	104.3	110.7	94.8
1928	103.9	113.3	95.3
1929	104.3	115.1	96.2
1930	104.5	112.0	95.5
1931	101.8	110.6	86.2
1932	96.4	100.8	78.3
1933	93.4	91.9	74.6
1934	94.9	96.6	75.6
1935	97.2	99.2	76.0
1936	99.8	101.7	77.5
1937	108.6	107.9	80.0
1938	111.0	108.5	80.8
1939	111.9	110.7	80.2
1940	114.5	116.3	83.5
1941	126.6	126.4	88.3
1942	143.2	140.8	92.5
1943	160.4	151.9	93.6
1944	165.5	157.5	94.0
1945	168.0	157.3	94.5
1946	185.6	156.5	97.7
1947	*	176.1	104.9

* Not available.

NOTE: Since filing this statement Mr. Marshall has informed the Clerk of the Committee that the last figure indicated therein, viz 104.9 should be 107.1. This correction will have a bearing on the evidence immediately following.

With those preliminary remarks I now present the three tables which I have described in the remarks. The table which already has been brought to your attention prepared by the Department of Labour is based on exactly the same information as we have used in these tables here. That is to say, in one table—the one series relating to wage rates of unskilled factory labour, male—the only difference is that their index number is based on the period, I think, 1935 to 1939, whereas—

The CHAIRMAN: 1939.

The WITNESS: 1939—whereas the figures shown in this table are related to the base period 1919, as is the case with the other two series of index numbers here. One is for the average earnings of wage and salaried workers and the other one is for the official cost-of-living index. So, being all in the same base in this memorandum they are all comparable. The officers in the Bureau of Statistics had some meetings with officers of the Department of Labour and we worked out this system together.

Mr. GREEN: Are your figures for unskilled factory labour or the average of all?

The WITNESS: Are you referring now to the average earnings or wage rates or unskilled factory labour? There is one index here that relates to the wage

rates paid to unskilled factory labour only and the other one is the average earnings of wage and salaried workers of all kinds in the manufacturing industries. In the bureau we do not have information on the earnings by individual occupation.

Mr. FULTON: Did you say you took 1919 as the base year for these figures?

The WITNESS: That is correct. 1919 in each case is the base for these index numbers. We have some copies of this graph to table.

The CHAIRMAN: They are being distributed. There are not enough copies to go completely around but I think there will be one copy for every two members and we will distribute all that there are. Mr. Marshall tells me that he will be glad to answer any questions which you may wish to ask with regard to the chart and if he cannot answer them he will refer to Mr. Rutherford or Mr. Greenway.

Mr. FULTON: I would like to ask Mr. Marshall a question with respect to the cost-of-living index as between 1919 and 1947. Here there is shown a difference of 4·9 points. I realize a different base year is taken. 1919 is used as 100 per cent in one case, but I do not understand why that fluctuation should be so narrow because, when you use the normal cost-of-living index which the department follows now, you will find that the figure in 1919 was 126·5. That is the figure which we were given at an earlier sitting of this committee, and in 1948 the department shows the figure as being 150·8, or a difference of 25 points. Now admittedly you are starting with a different base but it seems to me a fluctuation of only 4·9 points is remarkable in view of the fact there is a wide disparity between the cost-of-living index in the two years. I wonder, Mr. Marshall, if you reconcile that difference?

Mr. CRUICKSHANK: That is the mountain differential.

Mr. MARSHALL: You will of course get different results depending upon the base year. 1919-20 were two years after the first world war. There was a tremendous price rise which concluded in 1920 and, with respect to those figures, you are starting from a very high level of prices in 1919. When you compare that figure with the level in 1919, this index of 104·9 is correct. If you take the 1935-39 base which we now use in the bureau and work back, and work forward again from that figure, naturally you will get a different result because the cost of living in 1935 was at a very much lower level than it was in 1919.

By Mr. Fulton:

Q. That is true, Mr. Marshall, but I still do not understand why this margin should be so narrow. The fluctuation shown between 1919 and 1920 on your table amounts to a difference of 14·9 points. That would indicate a wide fluctuation. Taking again the base cost-of-living index figures which you now use, based on 1935, it shows the cost-of-living index in 1919 was 126·5 and in 1920 it was 150·6. You have a fluctuation in your new index of 25 points. I am sorry you have a fluctuation in the index number in the standard tables now of 25 points, but there is only a fluctuation of 14 points in the table which you have put before us. In 1919-20 it went up 25 points on one table and 14 points on the other. Again, in 1948—at the present time—on the one table it stands at 150, or 25 points over 1919 but you have only an increase of 4·9 points over 1919 on your other table?—A. For 1947.

Q. What would be the figures for 1948? Can you give me those figures?—A. Of course we will not have the figures for 1948 until the end of this year.

Q. Can you give us the average cost-of-living index for 1947 on your normal tables?—A. 135·5. That is on the 1935-39 base, and that figure of 135·5 is the average for 1947.

Q. And then, finally, can you give us what the figure on this table would be for the present index—for 1948?—A. That is for the month?

Q. Yes, for the month?—A. That would be 119·2.

Q. That answers my questions.

Mr. QUELCH: Mr. Chairman, I cannot understand this. In the table here it shows the cost-of-living index in 1925 is 94·7 and in 1947 it is 104·9. On the graph which takes 1925 as the base line of 100, it shows the cost-of-living index in 1947 at 128, an increase of 28 points. How can you have one graph showing an increase from 1925 to 1947 of 28 points while the other graph shows only an increase of approximately 10 points?

The WITNESS: I do not know which graph you have.

Mr. QUELCH: I am speaking of the graph given to me by Mr. Rider which shows a difference of 28 points.

The CHAIRMAN: Mr. Rider could perhaps explain.

Mr. RIDER: I think there is a small misunderstanding here because the figures previously produced were based on annual averages. The figure 150·1 is a spot point—the 1st of February—and it is not an annual average. Therefore, if we want to compare previous figures given with the current figure, the closest figure we can take is the annual average for 1947 which I believe is 135, and the percentage increase is relatively the same. We are getting mixed up with spot index figures for a particular month and an annual average.

By Mr. Quelch:

Q. This graph shows the annual cost of living and wage rates for 1914 to 1947 based on 1925 but on the other graph you show the cost-of-living index is 100 in 1925?—A. If you take another year as the base you are bound to get another figure.

Q. There should be the same number of degrees difference surely?—A. Of course I have not seen this graph before. I have just received it now and I would have to see the basic figures from which it was prepared.

Q. Well this graph is given to the committee and there does seem to be a discrepancy of about 18 degrees?—A. Those are index numbers.

Q. Well which is right? Is the first graph correct or is the second graph correct? There is a difference of 10 degrees on one hand and a difference of 28 degrees on the other, and that is a very big variation. Those figures cannot both be right.

Mr. RIDER: If you will notice on that graph to which you are referring the base of 100 is 1925.

Mr. HARRIS: To which chart are you referring now?

The CHAIRMAN: The chart to which we are referring is printed as appendix A, page 149 of Minutes and Proceedings No. 4 dated March 22.

Mr. BENTLEY: Which of the two I am holding is it?

Mr. QUELCH: It is neither.

Mr. CRUICKSHANK: I wish I knew, too.

The CHAIRMAN: Mr. Quelch has better eyesight than I have but the secretary will show you. In reply to Mr. Cruickshank, if he finds himself in a remote position he is partly responsible for it due to the re-arrangement of the room. I cannot see that far but the secretary will be glad to indicate which chart is under discussion.

Mr. BENTLEY: Well the next time you are ready to fix bayonets give us the right command.

The WITNESS: Mr. Rider has just produced a table here on which he based the chart. He is quite correct, and I think there is a misunderstanding on the part of those reading the chart in taking the figure for 1925 as 100 whereas it

is 94·7. That is the base. Then, if you get the index number for 1947 it is not 125 but it is 112·5 and the figure 125·3 refers to the latest month on which figures were available to Mr. Rider, and that was the 1st of February, 1948.

Mr. QUELCH: Would you repeat that again? Where do you get the 112?

The WITNESS: That is what the index was on the average of 1947, based on 1925. It is the yearly average.

Mr. QUELCH: Why does this graph show the average as 128?

The WITNESS: That is the month of February.

The CHAIRMAN: That is a spot point.

Mr. RIDER: That is the latest figure.

By Mr. Quelch:

Q. Could the cost-of-living index go down after that date? Did the cost-of-living index go down after February 1948?—A. No, it did not.

Q. Apparently we cannot get information today which gives a correct picture for the whole of 1947 and up to the present time.—A. Yes, we could give you the index numbers month by month as far as we have received them.

Q. I think we should have them.

The CHAIRMAN: We will have to be careful again not to confuse these monthly spot averages with the annual average.

Mr. QUELCH: We cannot get the average for 1948 because we are still in 1948. The main increase in the cost-of-living index has taken place since the average for 1947 and therefore, by taking a spot month in 1948, for instance April, 1948, that month will show a different figure as against the other graph.

The CHAIRMAN: It is nothing more than a trend.

Mr. HERRIDGE: Mr. Chairman, I think this is most confusing.

Some Hon. MEMBERS: Hear, hear.

Mr. HERRIDGE: I understand that pensions were stabilized in 1925. At that time, if my memory serves me correctly, the Canadian Legion, the veterans, and the public were agreed that the pensions established were fair. Therefore, I think that should be our base. We are here to determine whether the increase proposed by the government is sufficient. Now I think this chart shows the purchasing power of the pensions in relation to 1925 dollars, and it is the soundest chart we have before us. I think that is the chart we should use to determine whether the increase is sufficient or not. I think the other charts are not made on the right basis. In 1925, when pensions were stabilized, everyone agreed that the pensions were fair. What we wish to find is the purchasing power today in terms of 1925.

The CHAIRMAN: There seems to be some confusion as to when pensions were stabilized, 1920 or 1925, and I suggest that we might have a word from the chairman of the pensions commission with respect to that.

Mr. DICKEY: I would like to have Mr. Herridge say where he gets the information that everyone was satisfied that it was a fair and reasonable rate?

Mr. HERRIDGE: Anyone who has had experience in veterans' organizations or has taken part in veterans' activities knows that at the time representations were made and there was a great deal of public interest in the matter. There was, in addition, a general acceptance of the proposal put forward by the government when it decided to stabilize pensions at that date.

Mr. MELVILLE: The cost-of-living index in 1919 was 126·5 and there was, in the year 1919, a bonus of 20 per cent added to the basic scale of pensions. In the year 1920 the cost-of-living index was 150·6 and the bonus was increased from 20 per cent to 50 per cent in that year. In 1921, 1922, 1923, 1924, and in

1925, the cost-of-living bonus was continued at 50 per cent. In the year 1925 the cost-of-living index had receded to 119.8 and that was the year when, as Mr. Herridge has said, the bonus was added to the pension and the new basic rates became established.

Mr. GREEN: That is the rate which is still in existence?

Mr. MELVILLE: It is still in effect.

Mr. QUELCH: The increase in the average cost-of-living index from 1925 to 1947 is approximately 10 points, but the increase in the cost-of-living index from the average of 1925 to April 1948 is approximately 28 points.

Mr. CROLL: No, no.

Mr. QUELCH: According to this chart it is.

The CHAIRMAN: Are you looking at this chart?

Mr. VIAU: Yes, Mr. Quelch, according to your interpretation that would be correct.

The CHAIRMAN: Well, in order that *Hansard* may have a chance we had better speak one at a time.

Mr. QUELCH: I want to make it clear that there is a difference over the average of 1925 to April of 1948. I agree that we cannot get the full picture now for 1948, but there is a difference of approximately 27 points.

Mr. MELVILLE: May I make one correction in the statement which I gave a moment ago. I hope that it will save further confusion. I said that the average for the year 1920 was 150.6 but I was in error. That was the cost-of-living index for June 1920 and the average cost-of-living index for the year 1920 was 145.4.

Mr. FULTON: All those figures you have just given in your last sentence referred to 1920?

Mr. MELVILLE: Yes, to 1920.

Mr. MACNAUGHT: What base year was that based on?

Mr. QUELCH: Could Mr. Marshall correct my statement?

Mr. MACNAUGHT: Well, I have asked a question.

The CHAIRMAN: Brigadier Melville is endeavouring to relate one chart with the other in order to answer you accurately.

Mr. QUELCH: I only mention that fact, Mr. Chairman, because no doubt the demand for the increase in pensions is largely due to the heavy increase in the cost of living which has taken place in recent months. We should have a clear picture as to the situation today—not at the end of 1948 but today—as to the increase over 1925 base line. I take it when this graph was issued it was brought up to 1948.

The CHAIRMAN: When you take into consideration that the proposal is to increase the basic pension—and presumably to increase it permanently—you would not be considering any downward revision, at least during the life of this parliament. You would require a different set of facts if you were providing a cost-of-living bonus to meet a month to month situation. I think that is the reason why the figures prepared for us are based on annual averages over the length of the period, rather than to attempt to say what is adequate as of February 28 of this year.

Mr. QUELCH: Yes, but I am not suggesting a definite and set increase alone—not for one moment. If you are going to do that you would be saying that the increase at the end of 1948 is 30 per cent and that the basic pension increase should be 30 per cent. I am not saying that at all. I am merely asking that we be told what the increase is, from 1925 to April, 1948.

Mr. HARRIS: If the average for 1948 is lower than the present figure of 150·7 would you suggest that we lower the pension?

Mr. QUELCH: I am not suggesting that either. I am suggesting that it might be expedient to bring about a permanent increase of a certain amount and then to give a cost-of-living bonus which would fluctuate with the cost of living. I did not bring that point into my statement but I was merely asking for the picture at the present time.

Mr. GREEN: I should like to try and clear up the question of wage rates, if Mr. Marshall can do that for me?

Mr. MACNAUGHT: I wonder, before you go on with that matter, may I have an answer to the question I put to Brigadier Melville? He said the annual average for 1920 was 145·4 and I asked upon what year that was based?

Mr. MELVILLE: I understand these figures cover the base period 1935-39?

The CHAIRMAN: Are you ready to answer Mr. Quelch, Mr. Marshall?

The WITNESS: We are just making an inspection.

The CHAIRMAN: We might just give a minute or two to figure that out for us.

Mr. QUELCH: I do not see why he cannot answer now.

The WITNESS: Mr. Quelch, you cannot figure it out from this chart. We will have to get out some figures which are in our office. I could say anyway that it indicates 25·9 per cent of a rise.

Mr. QUELCH: Compared to what it was in 1925?

The WITNESS: That is right.

The CHAIRMAN: Now, Mr. Green.

By Mr. Green:

Q. Referring to the preceding discussion, I do not know to what the 125·9 relates.—A. We were asked what the index would be if we took the year 1925, as a base for the cost-of-living index number, and then find out what the rise would be in relation to the 1925 base. It would be an index number of 125·9.

Mr. GREEN: Mr. Chairman, I should like to get some more clarification with regard to wages, leaving aside for a minute the question of cost of living. I think we were told the other day that the cost of living had gone up from 100, in 1939, to 150·1 at the end of February, 1947. I take it that no one questions those figures. They will be found on page 72, of the committee's proceedings. But with regard to this question of wage rates, the chart which Mr. Marshall has given us today shows the wage rates applicable; and that is important to us, Mr. Marshall, because in the past veterans' pension rates have been based on unskilled labour. Your figures show in 1919, a base of 100, then in 1925, which is another very important year in relation to pension matters because of the fact that the present pension rates date from that time, you show 103·4. In other words, there has been a slight increase in the rate. Then in 1946, according to the chart—I may say that I am not very clear, but I think the figure is 185·6—showing that the wage rates for unskilled factory labour male almost doubled since 1925. That is correct, is it not?

The WITNESS: Yes, I have every reason to believe that is correct. Those figures are official figures from the Department of Labour.

Mr. GREEN: And have you got any figures at all for 1947?

The CHAIRMAN: That is since 1919 and 1925? Are they comparative?

Mr. GREEN: Oh, they are not comparative. Do you know whether that wage rate is still higher in 1947, than it was in 1946; or is it lower?

Mr. CRAM: We haven't got a figure for 1947.

Mr. GREEN: Are there any officials here who would know whether the wage rate for unskilled factory labour male went up in 1947, as compared to 1946, whether it went up or down?

Mr. CRAM: It certainly went up, but I do not know how much.

Mr. GREEN: Could you tell us approximately what the figure would be at the present time, or say at the end of March?

Mr. CRAM: It would just be pretty much of a guess.

Mr. GREEN: But what would you say?

Mr. CRAM: About 10 per cent, I would say.

Mr. GREEN: That would bring it higher, to 200.

Mr. HARRIS: It would be around 195.

Mr. GREEN: 195?

The CHAIRMAN: That will be November, and that would make it worse.

Mr. GREEN: 10 per cent over 1945?

Mr. CRAM: Yes.

Mr. HARRIS: No; is that right, 195?

Mr. CRAM: I am afraid I haven't got the table on that, it is not on the same base.

Mr. ISNOR: What was it before?

Mr. CRAM: It starts in 1939, as 100.

Mr. GREEN: But you figure that the increase in 1947 over 1946, would be approximately—?

Mr. CRAM: 10 per cent of whatever you have there.

The CHAIRMAN: 10 per cent of what is shown in the table.

Mr. GREEN: Well, the 1946 figure here as compared with 100, in 1919, shows 185·6. I understand that the evidence is that for 1947, the wage rates are still higher than in 1946.

Mr. ROSS: They are 10 per cent higher.

Mr. GREEN: And what did you say the increase would be, approximately?

Mr. CRAM: There is a difference of 10 per cent between them.

Mr. GREEN: And that would bring it to over 200.

Mr. CRAM: Well, you have 185, and 10 per cent of that would be 18·5; and if you add that on to the 185, it would be 203·5.

Mr. GREEN: Over 200, anyway?

Mr. CRAM: Yes.

Mr. GREEN: And that is the figure with respect to unskilled factory labour male rates?

Mr. CRAM: Yes.

Mr. GREEN: Going from that to the average earnings of wages and salaried workers.

Mr. CRAM: Yes.

Mr. GREEN: You find there that they start off with a base of 100, in 1919. The figure in 1925, is 108·1; and the figure for 1947, in this case you have the figure for 1947, is 176·1.

Mr. CRAM: That would be Mr. Marshall.

By Mr. Green:

Q. Yes; and that would show, Mr. Marshall, that the average earnings in that group have also almost doubled since 1925?—A. Well, they have gone up the difference between that first figure there and 176.

The CHAIRMAN: 60 per cent.

By Mr. Green:

Q. Are they still going up, or are they coming down?—A. They are still going up.

Q. Can you say what that figure would be as of the end of March 1948?—A. We are just working that out.

The CHAIRMAN: They are working that figure out for you now. They will have it in a moment.

Mr. GREEN: While they are working that figure out could we get at this thing from another angle. Can you tell us in dollars and cents what the monthly rate was for unskilled factory labour male, say at the end of December, 1947?

Mr. CRAM: We haven't those figures. We make our survey only once a year and we get only the yearly figure. They are approximately October in each year.

Mr. GREEN: Could you tell us what it was in October of last year?

Mr. CRAM: October of 1946, is the best I can do, and we have 65 cents an hour. That is on an hourly basis.

Mr. GREEN: That is in October of 1946?

Mr. CRAM: Yes.

Mr. GREEN: What was the figure then?

Mr. CRAM: I didn't get that.

Mr. GREEN: What was the monthly earning of unskilled factory labour male at that time, October, 1946?

Mr. CRAM: We haven't got an earning figure of that kind.

Mr. GREEN: Have you got it by the week?

The CHAIRMAN: He has it by the hour, 65 cents an hour.

Mr. GREEN: And you gave us that figure, that is 65 cents an hour?

Mr. CRAM: That is right.

Mr. GREEN: Have you no figures worked out by the week or month?

Mr. CRAM: No, we have not. These are actual rates. They are not the earnings. They are strictly wage rates.

Mr. GREEN: Pardon?

Mr. CRAM: I say they are strictly wage rates.

The CHAIRMAN: They are not earnings.

Mr. GREEN: That is the average wage per hour for unskilled factory labour male in October, 1946?

Mr. CRAM: That is right.

Mr. GREEN: 65 cents an hour?

Mr. CRAM: That is right.

Mr. GREEN: Well now, have you not got that figure since October of 1946?

Mr. CRAM: No. We are just compiling the 1947 figures now, as of October, 1947?

Mr. GREEN: Would the present figure be higher or lower than 65 cents an hour?

Mr. CRAM: Well, that again is just a guess. It would be higher.

Mr. GREEN: They would be higher?

Mr. CRAM: Yes.

Mr. GREEN: How much higher?

Mr. CRAM: Well, I said approximately 10 per cent.

Mr. GREEN: Approximately 10 per cent?

Mr. CRAM: Yes.

Mr. GREEN: And your 10 per cent figure was as between the whole of the year 1946, and the whole of the year 1947?

Mr. CRAM: Well, it is at a specific date in 1946, compared with the same date in 1947. It is not an annual average based on the amount of monthly earnings, or anything like that.

Mr. GREEN: But the increase would be at least 10 per cent?

Mr. CRAM: Yes.

Mr. GREEN: I would point out that on page 12, of the committee's proceedings Mr. Herwig gave the base for the legion request, and he said:

Mr. Chairman, in view of the fact the pension is based upon the ability of the pensioner to perform labour in the common labour market we think the pension should bear some relation to common labour rates which would average about 55 cents an hour throughout Canada, and on an eight-hour day that would average about \$100 a month.

Now, the witness has just given evidence that the average rate is not the 55 cents an hour which the legion uses; it was 65 cents an hour in October of 1946, and it has gone up 10 per cent since then, which would now make it 71.5 cents per hour.

The CHAIRMAN: I am sorry, gentlemen down at the other end there; excuse me, sometimes it is really impossible for Hansard to get questions across the floor from down at that end; it is even hard for me to hear you; so if you want to have it in the record will you please speak up.

Mr. CRUICKSHANK: What kind of labour would that be to which you have just been referring?

Mr. CRAM: That would be in a manufacturing plant.

Mr. CRUICKSHANK: That would be in unskilled labour?

Mr. CRAM: Yes.

Mr. CRUICKSHANK: And weekly wage rates there would be available?

Mr. CRAM: Those are applied to all categories.

By Mr. Green:

Q. Then with regard to the average earnings of wages and salaried workers, I am referring now to the second line of figures given by Mr. Marshall, we have not been told what the actual amounts paid by the week or by the month are. That is important too, Mr. Chairman, because some of us believe that the pension rates should be based on the average earnings rather than taking the wages of unskilled factory labour male alone.—A. I may say in connection with this series of indexed numbers that from 1939, we instituted a new system, we requested a new series of figures based on payrolls; and it is based on that, and the figures from 1939, are included in this table. We have the average weekly earnings of wages and salaried earners, the monthly figures since that time—well, let us say from 1941, on, we have it by month. Now, in order to make these other two index numbers going back to 1919, that is prior to 1939, we had to use another series and splice it on. We can now give you the average weekly earnings or monthly earnings in the form of real earnings for these earlier years.

Q. I am not asking them for the earlier years. I am trying to arrive at what are the average earnings now, or within the last few months.—A. We could do that.

Q. Can you tell me what would be the average hourly, daily, weekly or monthly wages in this group which is made up of average earnings of wage and salaried workers?—A. Now, Mr. Green, I have here in this bulletin of statistics

the average hours worked, the average hourly earnings as reported up to the beginning of February 1948, by manufacturers; and for the hourly earnings the average for 1948, is 86.5 cents.

Q. Yes. That is per hour?—A. That is per hour.

Q. Have you got it for the month?—A. The average weekly, for the same date, was 39.24, that is \$39.24.

Q. \$39.24, a week; and monthly?—A. We haven't got that worked out.

Q. Would that compare with the figure of 71.6; and would your figure of 85.6 per hour for the average earnings of wages and salaried employees compare with the figure given by the other; for instance, of 71.6 for unskilled factory labour male? I mean, are they roughly speaking on the same basis?—A. I do not know that I just quite understand what you mean by that, what is the wage rate. It is for a specified hour of work. These others are based on the average earnings which include or might include overtime. I do not know if you could work it out that way. It is not related to a specified rate paid for a specified occupation.

Q. How do you get it down to an hourly basis?—A. Oh, well, we get the payroll from the manufacturers who report. He has to fill in the form on which is shown the number of people on the payroll, the total number of hours worked and the total payroll.

Q. And you say that is for the end of February, February of 1948.?—A. Yes.

Q. The average hourly earnings of wage and salaried workers was 85.6?—A. 86.5.

Q. And for a week it would mean \$39.24?

Mr. CROLL: But the witness did not say that, he modified it. He does not say that that is absolute but that it contains some modification, that it may include overtime and other things.

By Mr. Green:

Q. Yes, but he said it had been worked on to an average weekly earning. Is that not correct, Mr. Marshall, that the average weekly earning during February of 1948, was \$39.24?—A. Yes, that is as far as wage and salary earners go. I am sorry I haven't got it here. On wages alone it was \$37.02, for the same month.

Q. 37—what?—A. \$37.02.

Q. That is for February?—A. That is for February.

Q. And that is on a weekly basis?—A. That is right.

By Mr. Croll:

Q. Mr. Chairman, I have just one or two questions. Mr. Marshall, will you give me the cost of living for the month in which the government granted their bonus in 1920, and can you compare that with the cost of living for last month?—A. On what basis do you want to compare it? Do you want it based on the index for 1920?

Q. When the cost-of-living bonus was incorporated, on the same basis that you were using in the chart here. —A. You are speaking of September of 1920?

Q. Yes, that is the time the bonus was incorporated.

Mr. DICKEY: That is the time the bonus was instituted, it was not incorporated as part of the wage until some years later.

Mr. WOOD: It was granted first, and then it was incorporated some time later on.

The WITNESS: The cost-of-living bonus was granted then.

By Mr. Croll:

Q. Have you that, Mr. Marshall?—A. We can work that out for you.

Q. You can work it out?—A. Yes.

Q. And then, tell me—I would like to have it on the record—will it be worked out before we leave here today?—A. Would you mind repeating that, sir?

Q. September of 1920, as compared with the last month that you have here.—A. We have that data here.

Q. Can you give it in points between let us say February and go right back to 1920; between 1920, and the last month that you have on record?—A. On what base?

Q. On the base you are using here.—A. The difference between 1920, and—

The CHAIRMAN: The yearly average for 1920, to whatever the latest available date is in 1948. That is your question?

Mr. CROLL: Yes.

Mr. GREENWAY: You see, when we shift bases we have to make new calculations. We will work that out too.

By Mr. Brooks:

Q. I would like to ask with reference to the cost of living, what factors enter into it? I mean by that, were the same items taken into consideration in 1935, as are being taken at the present time, or in 1947?—A. Yes, they were.

Q. Have you a list of them here, the different items?—A. Yes. No. I do not think we have a list here; yes, we have. I have one list here. This is some evidence that was given before the prices committee, and it has at the back of it a statement showing the items that go to make up the cost-of-living index.

Q. The point I wanted to bring out, Mr. Chairman, is this; that possibly there are certain items which enter into the cost of living which are not used as much as other items, and it seems to me that is a matter which has to be taken into account. I wonder if you could indicate to us what the principal items in that index are?—A. Well, there is the food group, and rent, there is fuel and lighting; there is clothing, there is house furnishings, and then there is a miscellaneous list. There is a lot of detail in this. I would suggest, Mr. Chairman, that if you wish to have that detail we have several bulletins at the Bureau which we could make available if anyone is interested.

Q. I would like to know what the increase has been in items like fuel, clothing, the food items and rent. I think those are the items which enter most into the cost of living for veterans. That would possibly give us a better picture as to what the increase has been in specific items.—A. You mean you would like to have them broken down into the various groups that enter into it and compare that with the base we have here.

Q. Yes, what might be considered the most necessary or important groups which affect the cost of living.

The CHAIRMAN: Would it meet your desire, Mr. Brooks, if we had it broken down into comparative years, 1920, 1925 and let us say 1947?

Mr. BROOKS: Yes, if we take 1925 as a base, as apparently the committee seems to think we should.

The CHAIRMAN: It is convenient to do it that way.

Mr. BROOKS: What would you suggest? You have to take some base.

Mr. HARRIS: It seems to me that this schedule covers about everything related to the cost of living. There is an index here at the right-hand side of the chart which includes practically the same items in all the years.

Mr. BROOKS: Yes, but I wanted it specifically on certain items which are more essential than others; food, clothing, and so on. I would also like to have taxes. Can you tell me if they are included?

The WITNESS: No, we did not include them.

Mr. BROOKS: And you could not give us any idea of what the increase there has been?

The CHAIRMAN: I think, Mr. Brooks, in respect to taxes, it is a cardinal principle of taxation that taxes are included in rent, but for the purpose of our investigation it is a major factor.

Mr. BROOKS: I hardly think that meets my point.

The WITNESS: Indirect taxes are included in that.

Mr. BROOKS: Yes, but I was thinking of municipal taxes, like school taxes.

Mr. BENTLEY: Mr. Brooks, may I ask in that connection, are you not thinking of the person who owns a home and the taxes he has to pay rather than the person who pays rent. Rent usually includes taxes and charges of that kind.

The WITNESS: Yes.

The CHAIRMAN: At any rate, you may be sure that the landlord includes them.

Mr. FULTON: If the Wartime Prices and Trade Board allows it.

The CHAIRMAN: May I ask you a question myself for my information and for the information of the committee? It seems to me we ought to keep in mind that when we are dealing with these returns for labour during the various periods, we are dealing with the amount of money which is available to a worker for the support of his family, but when we come to consider the pension question generally I think it would be important to our decision that we ask ourselves what a disability pensioner receives; whether his pension, that is his own pension, is all he receives in the support of his family. In the case of a labourer if he gets 65 cents an hour that is all he gets and that is that. In the case of a pensioner he has his basic pension together with the various allowances which are made for those who are dependent upon him together with medical treatment and other considerations. I think for the general information of the committee the chairman of the Pension Commission or someone else who has information should indicate that it is not a bald comparison between basic pension rates and wages per hour; there are these other perquisites which go with it in the case of the pensioner.

Mr. CROLL: Is not that a matter of record?

The CHAIRMAN: I do not think so.

Mr. CROLL: I think that is very important.

Mr. BROOKS: May I ask Mr. Marshall if he will get the information I have asked for?

The CHAIRMAN: He has agreed to prepare that.

The WITNESS: We will be glad to do it, but we cannot do it here.

The CHAIRMAN: Mr. Marshall has offered to do it with respect to the basic year 1925 for your information and with respect to the chart he has already given.

By Mr. Croll:

Q. Have I an answer to my question which is before the witness?—A. The cost-of-living rise from March 1920 to March 1948, 102·1. On the basis of the cost-of-living rise—the cost-of-living rise on the basis of 1920—that is the average for the year—103·7.

Q. The question I asked was what was the cost of living in September 1920; and then I wanted it compared with the last month you have.—A. Did you not ask the question as to what the cost-of-living rise was in 1920?

Q. Wait a minute. Start again. Now, you go ahead.—A. The figures we have here—the calculation which has just been made is on the basis of March 1920. If we take March 1920 as the base—I am sorry, that is a mistake; September 1920.

Q. What was it in September 1920?—A. If you take September 1920 as 100 the index number for March 1948 is 102.1.

Q. The increase is 2.1?—A. Yes.

Q. Now, have you got the answer for the other question I asked?—A. The other question, as I understand, was that you wanted to take the average for the year 1920 equals 100, and on that basis the year 1920 equals 100; and in March 1948 the index would be 103.7.

By Mr. Harris:

Q. May I refer to something which was not made clear by the graph? This graph was drawn up early in the proceedings. I understand it was drawn up at the request of the committee, although I did ask for it myself. It is headed "Annual averages of index numbers for cost of living, wage rates and employment, 1914-1947 (all bases converted to 1939)." Now, it shows, if I understand it correctly—

Mr. ISNOR: Would you care to add to the statement that it is shown on page 149 of the proceedings?

Mr. HARRIS: It shows, in 1920 the peak of the cost of living had been reached during that year.

Mr. BENTLEY: I will have to correct something which was mentioned by another member—149 is not the peak.

Mr. DICKEY: It is on page 88.

Mr. HARRIS: The peak of the cost of living was reached during that year when the present pension level was established, if you include the cost of living—if you count the little lines on the page, starting from the basic pension line in the year 1920, you will have to count up to the peak where the cost of living is indicated by some twenty-five of these lines. If you follow that across to February 1948, and use the proposed pension level now as suggested in this bill and if you count up to the point which is indicated as the cost of living at February 1, 1948, you count some eighteen and one-half of these particular lines. Now, have you the chart in front of you?

The WITNESS: Yes, I have.

By Mr. Harris:

Q. Do you agree with that?—A. Yes, on the basis of 1939 I think that is correct.

Q. Similarly when you say, as you did, that using 1920, September, as the base of 100, and saying that now the cost of living has gone up some 2 or 3 points with respect of that, that is also borne out in this chart which shows the blue line in 1948 about two or two and one-half lines above what it was in 1920. My point is this, then: is it a fair statement to make that if the present bill is passed and the present pension level is established it will be nearer to the index to the cost of living as we know it in February 1948 than it was when fixed in 1920?

Mr. GREEN: Wages are up.

The CHAIRMAN: We are on the cost of living.

Mr. HARRIS: We are talking about the cost of living.

Mr. BROOKS: I do not think it is fair to ask Mr. Marshall that question.

Mr. HARRIS: I am talking of facts.

The CHAIRMAN: It is the accuracy of the chart that is in question.

The WITNESS: As far as the chart is concerned, I think it is based on the official figures. Now, I have to admit that I have not gone into the background of all this information on pensions. All I came here to do was to give the official figures for the cost of living and wages and I really had not thought about the other matter. I do not think I can answer—

Mr. HARRIS: Do not misunderstand me. I am not asking you to express an opinion on our bill. I am asking you to express an opinion on the chart. If you want time to consider the chart and answer me on the facts, I do not mind.

The CHAIRMAN: It is a question of the accuracy of the chart.

Mr. HARRIS: Yes.

The CHAIRMAN: Whether or not two points are closer at the right-hand side than at the left.

The WITNESS: There is a difference at the peak. There is not a great deal of difference.

Mr. HARRIS: I made it 25 in 1920 and 18½ at the present time.

The WITNESS: I think the chart speaks for itself.

Mr. HARRIS: Will you count up?

Mr. QUELCH: I wonder if you would point out that the discrepancy was far greater than it was when we readjusted the pension in 1925?

Mr. HARRIS: I will come to that.

The WITNESS: I make it a difference of 10 in one case and 17 in the other. I have gone over it pretty quickly. Seventeen is at the peak of 1920 and 10 is for 1948.

Mr. HARRIS: Yes; I counted one too many lines. I made it clear at the beginning of my remarks that dealing with the 1920 level I was including the cost-of-living bonus which was attached to the pension at that time. I do not want any misunderstanding, as Mr. Quelch appears to have, that I was not doing that; because, as he and Mr. Herridge suggest, the pension level was fixed, they say, in 1925 by the consolidation of the cost-of-living bonus being made part of the permanent pension plan. Is that clear?

Mr. QUELCH: Fine. Mr. Chairman, I would like to ask a question. Some pensioners are working and some pensioners are not able to work, and I would like Mr. Marshall to give us the average percentage of deterioration in the pension since 1925 as compared with the unskilled wage rates?

The CHAIRMAN: Do you mean deterioration in purchasing power?

Mr. QUELCH: No, in amount; that is the deterioration in the pension level—the comparison since 1925 as compared with the unskilled wages.

The WITNESS: I am afraid I would have to figure that out.

By Mr. Quelch:

Q. On the basis of your chart—the chart would appear to give it clearly—but I would sooner you gave it because you say there are certain figures behind this that may lead to a misunderstanding. The wage rates have gone up a certain amount?—A. Yes.

Q. Pensions have not gone up. In terms of wages, pensions have deteriorated since that time. I want that percentage since 1925.—A. That would take a lot of figuring.

Q. That would help the committee, getting a figure of the relationship between the pension and the cost of living. In order to get a clearer understanding as to the relationship between pensions and wages I think it would be a good thing to have the percentage of deterioration of the pension since 1925 in terms of wages.

The CHAIRMAN: Would it be possible to get that?

The WITNESS: What we can do—it is quite a well known procedure to take your wage index as your cost-of-living index and you get an index of what is called the purchasing power of the dollar. We would have to try to relate that to your pension.

Mr. QUELCH: For the pension you could take the pension level; take the pension level in 1925 and compare it with the average level and show what the deterioration is in percentages.

Mr. HARRIS: Will you also give me the answer with respect to the 1920 level on the same question?

The WITNESS: What is yours, Mr. Quelch?

Mr. QUELCH: 1925. That is the time this was consolidated.

By Mr. Isnor:

Q. With regard to things you have quoted today, are those based on information based on urban districts—information on the figures of the cost-of-living of skilled or unskilled; or are they rural?—A. That is correct.

The CHAIRMAN: I wonder if the Pension Commission could state in terms of this additional income which accrues to a 100 per cent disability pensioner in comparison with what accrues to a wage earner without any extraneous income—

Mr. GREEN: I do not think it is wise to have another witness interrupt Mr. Marshall. We can bring someone else on the stand afterwards.

The CHAIRMAN: I am in complete accord with what you say, but a moment ago questions to Mr. Marshall had practically stopped, and I indicated I would like to have information on that particular point. I am not suggesting that it be done now if there are other questions to be asked of Mr. Marshall. I prefer to proceed that way.

Mr. BROOKS: There was one question asked by Mr. Isnor. He asked if this did not relate only to urban wages, and I understood a moment ago that we were also considering lumbering operations.

The WITNESS: So far as wages are concerned they relate to manufacturing wheresoever it is. The cost of living, of course, that is based on urban families.

The CHAIRMAN: It is urban rather than a national figure?

The WITNESS: It is national, but it represents urban communities all over the country.

The CHAIRMAN: I am afraid we will run into a lot of funny things.

Mr. GREEN: It would not make much difference because the figures are given on a percentage basis of rise and fall; it is not a question of what it costs in dollars and cents. We have been getting the percentages. If it rises in the urban areas it will rise also in the rural areas; is not that a fact?

The WITNESS: Yes.

Mr. CROLL: I thought those wages given to Mr. Green of \$39.24 and \$37.02 were urban wages.

Mr. GREEN: Oh, no, it was just explained they were not; they included all.

Mr. CROLL: The \$39.24 weekly wage and the \$37.02 wage you gave him a few moments ago—those were urban wages?

The WITNESS: Those are the wages of manufacturing establishments all over the country whether in rural or—

The CHAIRMAN: It would be more accurate to say that they are industrial wages rather than urban wages.

Mr. BROOKS: Not Toronto wages?

Mr. ISNOR: Yes, Toronto wages.

By Mr. Isnor:

Q. Your returns come through to you from quite a number of manufacturers throughout the dominion?—A. That is right.

Q. A monthly return showing the number of employees and the rates payable so far as labour is concerned, unskilled; this is by the hour, as I understand it?—A. Yes.

Q. It indicates whether it is 40 hours or 44 hours, and the same thing applies in the returns in regard to manufacturing returns listed with you?—A. Yes.

Q. Do you get any returns whatsoever of any type from what we would term rural communities?—A. If they have manufacturing in a rural community we get returns.

Q. Will you give us an example?

Mr. FULTON: The lumber mills.

Mr. ISNOR: Leave him alone. Mr. Marshall is the best authority we have in Canada.

Mr. BROOKS: Except yourself.

Mr. ISNOR: I am not conceited like my honourable friend. Mr. Marshall can satisfy the committee.

Mr. BROOKS: There is no need to get nasty about it.

The WITNESS: I have here a person who knows a lot more about this matter than I do.

Miss ROUGHSEGE: We cover all manufacturing establishments in our monthly surveys in which a staff of 15 persons or over is employed, irrespective of the location of the establishment. In some cases we have returns from establishments so remote that the data comes to us by air mail. I am speaking there of the pulp and paper companies in the far north. We have small establishments where the establishment is perhaps the only source of livelihood in the area, and we also have the urban industries. One of you gentlemen raised the question of the figures for Montreal, Toronto, and Halifax. We have figures prepared specifically for those centres and the figures are published each month.

Mr. ISNOR: Thank you, you have given us something definite.

Mr. HARRIS: Have you any estimate of the number of manufacturing establishments which you have included in your surveys?

Miss ROUGHSEGE: We receive monthly returns on salaries and wages from approximately 8,000 establishments. In the case of the figures which were quoted on weekly wages and hourly rates of wage, the coverage is somewhat lower, being approximately 6,500 to 7,000. The reason for the disparity is that in some cases the manufacturers do not keep accurate records of the hours worked, and in such cases we do not obtain from them figures which would enable us to prepare accurate records of the average hourly earnings. Average hourly earnings are arrived at by multiplication of the hours worked and the wages received. That is the method of producing the statistics on the hourly rate of weekly wage earnings.

Mr. ISNOR: Do you receive returns from farm employees?

Miss ROUGHSEGE: No, these figures are not related to agricultural workers.

Mr. CRUICKSHANK: Not many farms would have 15 employees.

Miss ROUGHSEGE: No.

Mr. BROOKS: These figures would, however, include girls in mills and so on?

Miss ROUGHSEGE: The figures include all persons, irrespective of sex and age.

Mr. BROOKS: Boys, girls, and women?

Miss ROUGHSEGE: Yes, the persons employed in the establishment.

Mr. CRUICKSHANK: Do you take into consideration for instance, in the provinces of Ontario and Quebec, in the jam factories, they pay only about a quarter of the wage which is paid in British Columbia? Those are facts that you can get from your own records. I am trying to say that where the cost of living is higher the wages are higher.

Miss ROUGHSEGE: Yes.

Mr. CRUICKSHANK: And the cost of living in British Columbia is higher by far than in any other province?

Miss ROUGHSEGE: Yes, that is clearly shown in our figures.

Mr. HARRIS: In what way does the figure of 8,000 firms, from which you make your return, vary from the grand total of what we call the manufacturing establishments?

Miss ROUGHSEGE: The number of firms would approximate 25 per cent of the total establishments and, expressed in terms of employees, the coverage would be somewhere between 85 per cent and 90 per cent. That difference is because there are many establishments where the number of employees is extremely small.

Mr. ISNOR: Are you on the staff of the Department of Labour or are you with the Dominion Bureau of Statistics?

Miss ROUGHSEGE: The Dominion Bureau of Statistics.

Mr. QUELCH: The figures we have before us do not include farm workers?

Miss ROUGHSEGE: No.

Mr. QUELCH: Are there any figures available which include farm labourers?

The WITNESS: We have not got those figures here but we have information in the bureau regarding farm workers and farm wages.

Mr. GREEN: I have one other question. In the statement which was given us by Dr. Marshall at the opening of the sitting this morning, does the figure on his second list, the average earnings of wages and salaries include both males and females?

Miss ROUGHSEGE: Yes.

Mr. GREEN: And on the other hand, the first figure with respect to unskilled factory labour includes only male workers?

Miss ROUGHSEGE: Yes.

Mr. GREEN: Generally speaking, the wages paid to men are higher?

Miss ROUGHSEGE: In general, in industrial work the earnings of men are considerably higher than the earnings of women. Sometimes, however, on an occupational basis, there will not be so much difference.

Mr. BENTLEY: Do you find much disparity as between similar industries in different areas, as between the weekly earnings for hourly employees, and is there a disparity between industries generally in different areas?

Miss ROUGHSEGE: There are certain disparities but I think probably they have tended to diminish in recent years, with the more general agreements on a national basis. We do find in some areas, in a given industry, the wages will tend to be higher than in other areas.

Mr. BENTLEY: Do you find in given areas where the wages may be higher or lower, that the wages follow fairly closely the cost of living in those areas?

Miss ROUGHSEGE: That would be a rather difficult question to answer for the reason that we would not always have statistics for the cost of living in the centres in which the earnings might differ from the general average.

The WITNESS: That is because we have a much wider breakdown with respect to earnings than with respect to cost of living.

Mr. ISNOR: When you speak of earnings, if you take the textile industry operators, the males and females receive the same rates for certain types of work, do they not?

Miss ROUGHSEGE: In some cases, yes.

Mr. ISNOR: Would you say that was mainly the case?

Miss ROUGHSEGE: I think the Department of Labour would be in a better position to answer that question.

Mr. CRAM: I think that most workers in the textile factories are on a piece work basis, and if males and females are performing the same operations they will get the same rate for the same amount of work. I think that perhaps sometimes there might be differences due to the type of machines used.

Mr. BROOKS: Are these schedules going to be put in the record? I know that some of us wanted to have copies but there were not enough to go around.

The CHAIRMAN: It has been the practice to incorporate in the record such statements produced by other witnesses. Since these tables are part of the statement given by Mr. Marshall, I assumed the committee would desire to have them published in conjunction with the evidence, and probably that material will be published as an appendix to today's proceedings.

Agreed.

Mr. GREEN: Certainly, Dr. Marshall's index should be published.

The CHAIRMAN: Yes, together with his presentation so that the two may be related when reading the evidence. *Hansard* was given a copy of the statement at the time it was made. This afternoon our meeting is a special meeting and will be given over to the hearing of a delegation of non-pension war widows. I do not think myself that it would be desirable to introduce anything new now, in view of the time at which we are sitting this afternoon, but I would like to know whether you desire to have these witnesses back tomorrow morning?

Mr. CROLL: It is likely that, as a result of the questions asked today, new questions will arise. I think that it would be better if the witnesses were available.

Mr. BROOKS: We asked for certain information and if that information is available tomorrow morning it would be well to have the witnesses.

The CHAIRMAN: I shall ask the witnesses to return tomorrow morning at 11 o'clock and the committee may determine what is needed of them then.

Mr. CRUICKSHANK: We will only deal with the non-pension war widows this afternoon?

The CHAIRMAN: The recommendation was that we devote a special sitting to the hearing of these people and we will give them whatever time is necessary. There is one other thing with respect to our general meetings, and I will say that I have some reason to believe we will be re-established in more comfortable quarters next week. That is not a promise but it is a reasonable hope.

Mr. BROOKS: I move we adjourn.

The meeting adjourned, to meet again this afternoon at 4 o'clock.

AFTERNOON SESSION

The committee resumed at 4 p.m.

The CHAIRMAN: Order gentlemen. This meeting of the committee has been called on the recommendation of the steering committee and approved by the committee as a whole especially to hear the representations of the Non-Pensioned Widows' Association, and we have quite a large delegation representing this organization here today. You are now being handed a copy of a series of resolutions which this organization sponsors and supports, and without further ado I shall ask Mrs. Margaret Wainford, who speaks on behalf of the organization, to present the brief to the committee.

Mrs. Margaret Wainford, Non-Pensioned Widows' Association, called:

The WITNESS: Mr. Chairman—and I think I should address our new minister—members of parliament and members who are sitting on this special committee, it is indeed a privilege to be able to speak to you on behalf of the delegation represented here; and I wish to thank the chairman and the gentlemen concerned for giving us this privilege today. I understand that you have set aside more important duties to permit us to come before you, and I hope you will bear with us in our presentation.

I have nothing special in mind to present to you. The resolutions submitted to you have already been forwarded to you by mail by our secretary, Mrs. Caunt, I think in January. You should be pretty well acquainted with those resolutions because they have not been changed in the last two or three years.

I have a little brief here which—and copies also have been sent to every member of parliament including the minister, recently—is dated January 30, 1948, and reads as follows:

CANADIAN NON-PENSIONED VETERAN'S WIDOWS
DOMINION COUNCIL

January 30, 1948.

Dear Sir:

The enclosed resolutions are sent to you with our sincere hope that they will meet with your approval.

May we draw your attention to Resolution No. 1—"That the Widows Allowance now payable under the War Veterans' Allowance Act be raised to \$40.00 per month plus a cost of living bonus." It is natural that this resolution is uppermost in the minds of our members since we are all finding the struggle to exist becoming worse every day. The Prime Minister has stated that an increase will be forthcoming, this increase to be based on established need.

We urged you to have the "established need" clause abolished. Is it not ridiculous? Surely a widow who has already had a means test (or she would not be receiving \$30.00 per month) does not require to prove "established need". It is obvious that in these days with the cost of living increasing daily, one cannot live on \$30.00 per month.

We appreciate the support we have had in the past and when discussions take place in the House relative to our cause, we trust we can count on your support.

Yours sincerely,

(Mrs.) M. Wainford,
President.

(Mrs.) Lillie Caunt,
Secretary.

I would like to thank you for the opportunity afforded us, as we have been in session in room 497 in the House of Commons since Monday of this week. Our delegates have gone into these resolutions. We know that other veterans' organizations have been placing recommendations before this committee, and we feel that the committee want to do everything they can to help us; and we are hoping that we have not come here in vain this time because the situation of the widow on the whole is very serious all over the country.

It has been explained that \$30.41 is not enough. I think most of you do not need to be reminded that \$30 does not in most cases provide a room for a widow and far less give her her food. We are fully aware from what legislation is going to be brought before the house that, if it is passed, there is to be an increase of \$10 a month; but that is not going to apply to all our widows. Therefore our first resolution reads:

That the widow's allowance now payable under the War Veterans' Allowance Act be raised to \$40 per month, plus cost-of-living bonus.

Our delegates here went into this matter; and we would ask for \$40 a month on a basic allowance. It is only the allowance we get, \$40 basic, which would cover all widows now receiving \$30.41; because as I understand the government—or the reference of this committee—the increase will only go to a few widows who will not get \$250 and incapacity.

I do not want to take up too much of your time, but I want to explain to you how we feel about this matter. Previous to your new amendments which you are drawing up we had \$30.41, \$125 casual earnings, and \$125 from any other source of income, which brings us to a total of \$615 per annum; but as it is today what you are going to give us only gives us a total of \$615 per annum anyway. It does not matter how you do it. It is the widow who can go out and make the \$250 on her earning capacity who is going to gain the benefit of this \$10 increase. You are giving us nothing. You are not giving the widows anything in this \$10 increase—not the widows who are at present getting \$30.41. Bear in mind, gentlemen, that the widows who are getting \$30.41 are most grateful about it. It is better than nothing. We have always said that half a loaf is better than no bread; still it is a pittance. The \$10 you are going to give is only covering one little group among all these widows.

If you put this bill through today we will be no better off at the end of another year than we are at the present time—\$615. So, we are asking for \$40 basic and \$10 on supplementary allowance or cost-of-living bonus, whichever you prefer.

I think that resolution, gentlemen, clarifies the matter. If any of the members of the committee would like to ask questions I shall be pleased to hear what any members of the committee have to say on the matter and answer as best I can.

By Mr. Green:

Q. Would you explain your statement that you are going to be no better off at all because of this possible increase of \$10?—A. Well, the way I can explain it, Mr. Green—after all you have been on this committee two or three times; you are one of the old timers like Mr. Queleh and a few others here—the widow qualified for war veterans' allowance is entitled to \$30.41, \$1 per day, with the privilege to go out and earn \$125 per year. That is the total sum of \$2.50 a week which she can earn. Then on top of that she could have \$125 casual earnings, which might be superannuation or something from her family to make up the \$125; but if the total income at the end of the year exceeds that \$615 the War Veterans' Allowance Board would decrease her income from the \$30.41. So today what this committee—I will say this committee—is offering us is \$30.41, \$250 earning capacity and taking away the casual earnings. Now,

at the end of the year our total income is \$615, just the same. Have I clarified the matter?

Q. You do not deal with the proposed supplementary payment of \$10 a month.—A. The \$10 a month the government will give us will cover only the indigent widows who cannot go out and work. Suppose I am Mrs. X and I draw \$30.41. I cannot go out to work, but Mrs. Johnston sitting next to me who might be my neighbour and is younger can go out and make \$250 a year. I would get \$10 from the government, which would only bring me up to \$480; am I correct? I would get \$480 a year but my friend can go out and make \$250 a year and her total income is \$615. Have I explained the matter properly now?

Q. She cannot get the \$10 if she earns the \$250?—A. No. It only really covers a very small portion of our widows.

By Mr. Quelch:

Q. Mrs. Wainford, could you tell us how many widows are now getting the war veterans' allowance, and how many would be eligible for the \$10 increase?—A. I could not tell you that.

Colonel GARNEAU: Mr. Chairman, I think I can answer that in part. There are 4,700 widows, in round figures, who receive the widows' allowance today and it is estimated that at least three-quarters of them or close to three-quarters of them are receiving the maximum allowance payable under the Act now, which would permit us to assume that they could be granted the supplementary allowance. That has entered into our calculations with respect to the cost which will be discussed later, I presume, by this committee, by these increases in the War Veterans' Allowance Act.

Mr. QUELCH: Those three-quarters of the widows are not getting the full amount, are they?

Colonel GARNEAU: They are getting the full amount, and the allowance which would permit the payment of the supplementary. Those who are not getting it are covering the difference, not now—well either through casual earnings or under the percentage permitted under their income of \$125—are covering the gap through their own efforts by renting rooms, having private incomes, little legacies or things like that.

Mr. PEARKES: Do I understand that all these widows who are receiving the maximum allowance will now be permitted to get \$10 a month extra automatically even though that \$10 might bring them above the permissive income of the allowance of \$40 a month and \$200?

The CHAIRMAN: The answer is no.

The WITNESS: The answer is no.

Mr. PEARKES: That is correct, is it not?

The WITNESS: Yes.

The CHAIRMAN: General Pearkes, the answer is they would not be permitted to draw the additional \$10 provided their maximum income is now \$615. It could level off if their earning power decreased by \$10 and the other could go up.

Mr. PEARKES: They will not receive automatically this \$10 in the case of their drawing the full total allowance? There would have to be a review made to see whether their casual earnings, permissible income, exceeds that ceiling?

The CHAIRMAN: That is correct.

Mr. PEARKES: So that no widows are going to get an automatic increase of \$10 a month; is that right? It is rather different from what was said in connection with veterans, according to the minister's statement. They were

going to get the automatic increase if they were pensioners or if they were drawing a full allowance. I think that is what the minister said in the House.

Hon. Mr. GREGG: With regard to veterans' allowance.

Mr. PEARKES: With regard to veterans' allowance. But there are more stringent restrictions placed upon the widows. That is the point I am trying to make.

Colonel GARNEAU: I think I would like to differ a little with General Pearkes on that matter. The provisions of the widows' allowance applicable to them would be exactly the same as for the veterans. There is no more restrictive regulations involving the widows. As was explained a moment ago, if a widow has not reached the amount of \$615 throughout the year and is receiving the maximum of war veterans' allowance of \$30 she could get a supplementary allowance in part or in whole, providing the amount of \$615 is not exceeded.

Now, with respect to the way that is going to be handled. The board already has had a survey made of all the cases, individual cases of veterans and widows together, where they are getting the maximum and those who are getting other income. We have a list already made and that is where it is estimated that automatically, as in the case of the veterans, we shall be able when the green light is given us, to put in payment a large amount of these increases to the widows on the same footing as will be done for the veterans.

Mr. GREEN: That is if they are not in receipt of any income?

Colonel GARNEAU: Only if that income is not shown to exceed the maximum permissible.

Mr. GREEN: Is the veteran in the same position as the widow if he is getting an income up to \$250 a year? Can he get no benefit from the supplementary allowances?

Colonel GARNEAU: Yes, he would be in the same position.

Mr. GREEN: The ceiling is \$615?

Colonel GARNEAU: \$615.

Mr. GREEN: Regardless of the proposed amendment?

Colonel GARNEAU: Yes. That is the over-all income permitted under the proposed bill up to the present. I might quote—I do not know if I am in order by putting the cart before the horse:

(2) The maximum supplementary allowance of a recipient shall not exceed the amount by which the amount of income specified for his case by sections six, eight, or eleven exceeds his income.

The CHAIRMAN: Gentlemen, I have no desire to impede discussion. This discussion grew out of a question which was asked Mrs. Wainford, but the express purpose of our meeting is not to get launched into a discussion of the bill which is not yet before us, and I think we should afford these ladies the fullest opportunity to tell their story. I know Mrs. Wainford does not object to questions and will be glad to answer them or have them directed to either the chair or Colonel Garneau, but I suggest that we do not launch into a general discussion.

Mr. GREEN: Mr. Chairman, I think that remark is quite uncalled for. We are trying to clarify this statement made by Mrs. Wainford and to get evidence from Colonel Garneau. Surely we are not going to be prevented from asking him similar questions throughout the hearing.

The CHAIRMAN: I did not make the suggestion that we restrict this to the submission until Colonel Garneau had every opportunity to answer, but these people are most anxious to tell their story, and I am asking the committee to be considerate on that account.

Mr. QUELCH: I asked Mrs. Wainford how many of the present recipients of the allowance would be eligible for this supplementary allowance and she said only a small percentage; but I understood Colonel Garneau to say that 75 per cent would be eligible. I take it he would modify that statement by saying—

Colonel GARNEAU: I estimate I should have brought those figures as close as I have them; it would be between 60 and 75 per cent who would benefit in some measure automatically.

Mr. QUELCH: In some measure, but not to the full amount?

Colonel GARNEAU: Largely in the full amount.

The WITNESS: Let me try to explain this first resolution as regards what we want. The basic income at the end of each year is \$615 and as it stands it is still \$615. Our total income will be, at the end of each year—we are asking for \$40 basic and \$10 supplementary or cost of living. We are trying to get the income of all the widows now receiving war veterans' allowance an extra \$10 to bring them to \$715 a year. We want them to feel that they are getting the extra \$10, and they are after us to get it for them. They are going to be up in arms if we do not try while we have been before this committee to present our case in the proper manner.

Mr. PEARKES: Does that mean that you would like the total permissible income, including the allowance, including the supplementary allowance, what you can earn, to be raised to \$850 a year?

The WITNESS: \$715—I am sorry, \$735.

Mr. QUELCH: You would like the permanent income to be increased by an amount equivalent to the supplementary allowance?

The WITNESS: Yes.

Mr. SKEY: Would you recommend that should be done as an addition to the casual earnings or the other earnings, bring in the permissible casual earnings up to \$185 a year, and the permissible other income up to \$185 a year?

The WITNESS: I would not recommend that.

Mr. HARRIS: What would you suggest be done?

The WITNESS: I would suggest that the ten dollars now proposed to be given should be given to these women with \$250 per annum added. That would be left to the discretion of the board and provided we got the extra \$10 a month it would bring us \$735.

Mr. GREEN: \$615, plus \$120.

The WITNESS: Yes.

The second resolution is "that all non-pensioned veterans' widows whose late husbands served in any of His Majesty's forces during the Great War 1914-18, be considered under the War Veterans' Allowance Act whether said husbands served in an actual theatre of war or otherwise."

Gentlemen, let me stress that this is a very important point with many of the widows. When our men enlisted they enlisted in the forces to go on service wherever His Majesty desired and in many cases some of our men never left Canada. Those who got to England may have wanted to go to France but they never got to France. The delegates have stressed at all times that England should have been brought in as a theatre of war. Last year we had delegates here, and on Wednesday, April 23, our delegation was divided and one half had an appointment with the Honourable Ian Mackenzie who was at that time Minister of Veterans' Affairs, and the other half of the delegation had an interview with Mr. Walter Tucker who was the assistant deputy minister at that time. When our ladies went to see the minister this was the main point brought before him. The women who do not get anything at all because of this theatre

of war clause are, in many instances, really in need of assistance more than in the case of the widows getting \$30.41. The minister—shall I say committed himself, or vouched, that at the beginning of this year that England would be considered as having been a theatre of war. He said that when the House was called into session on the 1st of January that would be one of the most important things done. Up to this moment there has been no reference in Hansard or the newspapers to the fact that England was to be covered.

Mr. McKAY: May I ask a question of Mrs. Wainford. Did Mr. Tucker, who saw the other half of the delegation, make the same commitment?

The WITNESS: Yes. I have with me Mrs. Whitworth who held the chair in that committee and she went to see the minister. I was in the other chamber with the remainder of the ladies. That was one point which we stressed very strongly last year, not knowing that the first resolution here would come up. Our main object was to get these women covered who were not covered by previous legislation.

Mr. QUELCH: This proposed legislation would go quite a bit further? This resolution would include widows of veterans who served only in Canada.

The WITNESS: There is a provision in the resolution with respect to England being included as a theatre of war, and it might bring in the imperial question, but we are confining it to the Canadian who never left England. If you bring England in as a theatre of war it will be up to the board to work out the details.

Mr. GREEN: It is your intention to have widows of Canadians who served in Great Britain covered?

The WITNESS: Yes.

Mr. McKAY: That is if England is to be considered as a theatre of war?

The WITNESS: We do not care about England being considered as a theatre of war if the widows whose husbands served only there are covered.

Mr. GREEN: You are not asking anything for the widows whose husbands only served in Canada?

The WITNESS: It is only through the casual conversations which we are able to have with the minister and other gentlemen that we can explain our position. At those discussions it was mentioned that the government was thinking of accepting England as a theatre of war in relation to the 1914-18 war, since England was declared a theatre of war with respect the late war. It is from those discussions that we are able to put together our own ideas and it was through the interview with these two gentlemen, the minister and Mr. Tucker, that we came to feel practically assured that this matter would be brought out in the House and that England would be declared a theatre of war. Our main purpose is to cover the widows of all nonpensioned veterans whose husbands served in England only.

The third resolution is "whereas we recommend that an amendment to the War Veterans' Allowance Act be made whereby all widows in receipt of the allowance receive free medical care and hospitalization under the Department of Veterans Affairs".

Now I just cannot point it out, but reference has been made to this matter in *Hansard*. I do not like bringing to your attention the name of the previous minister so often but at that time he seemed to think the we wanted to be put in veterans' hospitals beside the sick veterans. That was not so.

The CHAIRMAN: The then minister was not at that time married.

The WITNESS: I guess you will have to say that off the record. I would like to explain without going into individual cases because that is something you gentlemen do in the House but as far as hospitalization is concerned I think it was four or five years ago we went very severely into that question with the chairman of this committee. I was asked as spokesman for the delegation as to what

suggestions we had in the way of free hospitalization. I suggested at that time that when a widow has become a recipient of the War Veterans' Allowance there is nothing to hinder the government giving her a card which could be taken to any civic hospital and shown. This card would indicate that the widow came under the War Veterans' Allowance and it would obviate the necessity of the widow going through the social service department in the hospital. That department sometimes tried to find out even what our grandfathers had in the way of money, in their efforts to find out whether we can pay our bills. I will explain a typical case. A woman will go to a hospital in any part of the country and if she has never been there before she must go to the clinic. She is asked to pay—and I will put the figure as low as possible—50 cents for a card. After she pays for the card she must go for an examination and, if she needs a prescription for medicine, she may be required to pay an amount of perhaps \$3. There you see that she has a total payment of \$3.50 for one consultation in the hospital. She may require to go two or three times a week. The widow pays 50 cents every time she goes to the hospital—sometimes more and sometimes less. (If you are very smart you can get away with no payment but you have to be very smart.) Then the widow may have to have an x-ray and that is \$5. If she cannot pay the bill they will reduce it to \$2.50. Now you gentlemen all know that a widow drawing \$30.41, even before the high cost of living, cannot pay for such hospitalization out of that amount. There is no protection in the case of pensioned widows and there is no provision for anyone who is indigent for free hospitalization. Mind you the hospitals are good, and I have nothing against them, but I am trying to bring out what it means to a person having to go to a hospital and through what I have described. Now I will refer to a specific case. The other day I went with a widow to look for a room. I discussed this matter with your chairman and the minister, and the chairman had his own side of the story but I will tell you this. I went with this widow the other day to look for a room in Toronto and we could not get a room below \$7.50 a week. Now with a pension of \$30.41, and paying \$7.50 a week for a room, what has she got left? She does not have breakfast, lunch or carfare. On the other hand I will mention a cheap room, say \$4 a week, and even if it is only \$4 a week there is not enough money left for her to exist, and there is the matter of hospitalization and the other things I have mentioned over and above that expense. I have heard it said that the families of these widows have some obligation to the parent. In most cases the family does not want these widows around because they have not got enough money. It does not matter whether they are living with sons-in-laws, or daughters-in-law, they are supposed to pay their own way. The sons-in-law are not making enough to keep their own families. I would suggest to the committee that it give this matter special consideration and that we be given a card which we could take to the hospital. The hospitals get federal grants and they could easily put us through the clinics and if we must go to hospital we would not have anybody from the city hall, or the city council coming up to our bedside to find out why we are in a public ward. I am speaking here about matters which we have discussed thoroughly.

MR. GREEN: As I understand it at the present time a widow can get no treatment whatever at a Department of Veteran's Affairs Hospital?

THE WITNESS: No, they cannot. I would like to ask a question of Colonel Garneau here. Does this free hospitalization apply under the War Veterans' Allowance Act?

COLONEL GARNEAU: I think I would sooner let the deputy minister answer that.

THE WITNESS: I know that in the case of a pensioner it does.

Mr. WOODS: Recipients of the War Veterans' Allowance are entitled to treatment in a hospital subject to one or two reservations which are hardly worth mention.

Mr. McKAY: May I ask a further question there? In the case of a veteran under the War Veterans' Allowance Act who receives free hospitalization under this scheme, is he also entitled to optical and dental treatment, as well as any drugs he may need?

Mr. WOODS: If those things are part of the required hospital treatment, yes.

The WITNESS: May I answer the gentleman's question?

Mr. LENNARD: I would like to know—

The WITNESS: I would like to answer with respect to the dental and optical treatment.

As far as widows are concerned we have nothing like that unless we apply to the Poppy Fund or the Canteen Fund.

Mr. McKAY: My question to Mr. Woods was to clarify the original statement regarding hospitalization and someone is inquiring as to whether that is true?

Mr. LENNARD: With respect to the hospitalization, people receiving War Veterans' Allowance may have a deduction of \$5 a week taken off the War Veterans' Allowance while they are in hospital.

Mr. WOODS: That is a question Colonel Garneau could answer, but it is true that the allowance is subject to suspension in whole or in part, when the veteran goes into hospital, depending upon whether he has any dependents and what his home obligations are. The act provides that the allowance may be suspended in whole or in part. With respect to the previous question of whether the Veterans' Allowance recipients are entitled to dental treatment, I was not evading the question when I said that the answer was "yes, if it were part of the treatment". That, however, does not mean that any veteran in hospital or out of hospital can draw new glasses or have new dentures made for him. I made the stipulation that the answer was yes, provided it was part of the treatment for which he is being treated.

Mr. McKAY: And no deductions are being made from that?

Mr. GREEN: The position is that a veteran who comes under the War Veterans' Allowance Act can get hospitalization in most instances.

Mr. WOODS: That is right.

Mr. GREEN: The widow who comes under the War Veterans' Allowance Act gets no hospitalization whatever.

Mr. WOODS: That is perfectly true, Mr. Green, and it is also perfectly true with respect to the widow of a man who was killed in action. The widow gets a pension for the loss of her husband killed in action, but she does not get hospitalization for herself.

Mr. GREEN: May I ask the minister whether it is a fact that the department now has facilities for giving hospitalization to women? As we know, many thousands of young women served in the last war, and I know that in the Shaughnessy Hospital in Vancouver there are facilities for the hospitalization of those young women. Now is it not a fact that the department has facilities for giving hospitalization to these women who come under the War Veterans' Allowance Act?

Hon. Mr. GREGG: I do know that facilities exist but I cannot say to what extent. Perhaps the deputy minister could say that.

Mr. WOODS: We are treating women veterans but as I understand Mr. Green, the question was whether we had the physical facilities to treat widows of pensioners and non-pensioners. The question is whether we have accommodation if they were rendered eligible for treatment?

Mr. GREEN: Yes.

Mr. WOODS: We are now passing the critical stage and some of our hospitals are not at capacity.

Mr. GREEN: If you have not got facilities at the moment you will shortly have facilities?

Mr. WOODS: I would want to look at that because we have male patients who served in World Wars I and II to the extent of many thousands.

Mr. GREEN: I quite understand the difficulty but before the second world war the department had no facilities for hospitalizing women, and the point I am making is that the position has been changed and you now have facilities? That is correct is it not?

Mr. WOODS: Our facilities are improving all the time. We have throughout the dominion some 1,500 vacant beds. Those beds of course are scattered, and some of them are earmarked for mental cases and others for tubercular cases, but there are about 1,500 vacant beds scattered across the dominion. Hospital authorities tell us, however, that we should preserve a margin of 15 to 20 per cent for safety.

Mr. GREEN: I wonder if Mr. Woods could tell us about facilities for hospitalization in the other dominions. I have here for example, a clipping from the *Vancouver Province* dated March 1 which reads: "Australia gives war widows hospital care." This is a despatch from Brisbane, Australia, which reads:

Australia's 21,000 war widows and their 13,000 children under 16 years of age will shortly get free medical treatment at war veterans' hospitals.

Under a new scheme they will get specialist care, a full range of medicines and drugs, and x-ray diagnosis.

At present widows and children receive only limited medical care from the government.

Apparently at the present time in Australia women and children receive medical care and they are also going to receive hospitalization. Could the deputy tell us the position as it is in the other dominions?

Mr. WOOD: It is my impression—and like Mr. Green I read everything that I can pertaining to veterans—that Australia is in the lead with regard to this matter. In Great Britain, of course, they have facilities for the hospitalization of anyone who cannot afford to pay for it otherwise, but as far as the dependents of veterans are concerned it is my judgment that Australia is the first country which has taken that step.

The WITNESS: After these discussions the only thing I would like to recommend is that this committee try to ensure that at a future date we will know that something is going to be done by the government with regard to hospitalization for widows now under the War Veterans' Allowance. The suggestion, which I say would be of benefit to us, is to give recipients under the War Veterans' Allowance Act some kind of a card of identification which could be shown when approaching a civic hospital and we would not have to go through the humiliation surrounding the social service department of the hospital.

The fourth resolution is "That representatives of the Non-Pensioned Veterans' Widows Association be called before the War Veterans' Allowance Board at least once a year to discuss problems appertaining to the widow".

I would like to mention a few points in connection with that resolution. 1941 was the one and only time when four ladies were called before the board. Each year since that time, when there has been a special committee sitting, we have always tried to keep ourselves to the fore by coming here on our own initiative. We felt that if we did not do so by the time we were called it would be too late to achieve any result. That is why we are here on our convention. Two years ago we took the same procedure and, on behalf of our delegates, we sincerely ask that we be given the privilege of being called before you. We cannot really keep up with the government—actually we would need to have an office here so that we could join you at any time. As far as this appearance is concerned, this will be the fourth time we have appeared before a committee. I do not think there is any need to go further into the matter other than to say that the only time that we are asked to appear is when there is a special committee, and the secretary or the dominion council ask us to be represented and we get the benefit of being called before the committee in the same way as the other veterans' organizations. We are not affiliated with the other organizations and we have always stood on our own feet; we have done our own work; we take the credit for what we have already achieved.

Hon. Mr. GREGG: May I ask a question with regard to the resolution? Do I understand that in addition to such presentations as you have made before the parliamentary committee, and other committees dealing with matters of legislation, that you wish representatives to be called in before the Board from time to time on matters of administration?

The WITNESS: We have suggested that we be called in at least once a year. If there was no special committee sitting next year and there was something of importance where the other veterans' organizations would be called to give their views on certain legislation to be passed, the suggestion is that the widows be called too.

Hon. Mr. GREGG: Outside of that would you care to have a representative discuss individual problems and difficulties such as you discussed yesterday with Colonel Garneau?

The WITNESS: Yes, that could also be part of the resolution.

Mr. GREEN: May I ask Mr. Garneau whether there would be any objection to calling in representatives of this association once a year to discuss the method of working out the provisions called for? It does seem to be a very reasonable suggestion and it might iron out a lot of difficulties.

The WITNESS: Well, Mr. Green, you use the word "objection"; really there is no actual objection to it. But in my experience during the time that I have been chairman for this group no occasion has arisen yet where it has been necessary to call anybody to Ottawa, whether it be the Legion or any other association, to discuss such problems as arise today in the administration of our act. There have generally been representatives on the spot at Ottawa who could be called in for that specific purpose. So far as I know their views have always been gladly received, but so far as I know the board has never been in a position where it has been necessary or imperative to call somebody like ourselves in to sit around a conference table. The usual thing is to deal with the matter through correspondence or interviews and in that way to iron out any any little difficulties which arise. It is always open to us to correspond with the board, but we have always felt this was not the best way of getting things done, that from time to time we should sit down with that board, just as you gentlemen are sitting around here discussing this problem today.

Mr. BROOKS: Colonel Garneau, would you not be just as prepared to deal with representatives from this organization as you would from any other group?

Colonel GARNEAU: Oh yes, at any time. They have assisted us both personally and in writing, and their representations are welcome. The board is always open to them, and I can assure Mrs. Wainford that their representations will receive favourable consideration by our office at any time.

The WITNESS: Mr. Chairman, might I just try to make my point a little more clear? When we first submitted this resolution it really was the intention of our delegation to ask that a representative woman or women sit in on the board. That did not and does not mean that any of us women here wanted to sit on it, but we wanted to have a woman or women to whom we could take our case, and who would represent us before the board. Now, Colonel Garneau, what I am trying to say to you now is that after all women really know their own problems best, and we feel that if a woman or women had been on the board in recent years that it would have been better for all concerned. I have always said that I think we should have had a woman or women on the Pensions Commission. After all, as I said, a woman understands women's problems.

Some Hon. MEMBERS: Hear, hear.

The WITNESS: Just the same as you have women sitting in on other boards. We women here are not asking to be placed on the board, but we would like to see women represented by one of their own kind on it. That was our intention in the first place, to get a woman representative to sit, just the same as may I say you have a lady sitting in the House at the present time. One member of the board should be a woman, and should have an opportunity to assist the board in dealing with the problems of women. We have felt that since we first got this allowance three years ago, in 1945. The veteran at that time was only receiving \$20 a month, and then the government came along and brought us in under the War Veterans Allowance Act and it was raised from \$20 to \$25 and later to \$30 a month; so we claim with some modesty that it came through our efforts, that is why the veterans themselves got up to \$30 a month. Other veterans organizations are working too, and they are trying to get the war veterans allowance up to \$40 a month. We got \$20, the same as any war veteran. That was back in 1945. Then it was \$30. So, you see, the veterans have really benefited by that work which we have been doing. Before we organized we were practically without representation; although, speaking for myself, I was a member of an organization, and quite a few years ago I was a member of the G.W.V.A. It took us widows a long time to get started to organize, but we have gained a good deal through our experience. Even as things stand today some of the widows have to go out by themselves and do extra work.

But I want to say again, Mr. Chairman and gentlemen, that I firmly believe, as does our organization, that we should be represented by a woman or women on the board. That does not necessarily mean the appointment of a woman to the board itself, but that it should be made possible for a woman or women to deal with our problems in connection with the board. At the present time it is only with a committee like this that we can make contacts with the government. We wrote to the minister and he advised us to get in touch with Mr. Burgess, which we did, and we asked for an appointment before this committee. And now we are here. And I thought I could tell you why we figure that a woman should sit on the board. I know that Colonel Garneau intimated that any of us could come to Ottawa; but we cannot go out and take a train and come to Ottawa on \$30 a month and bring up kids. These gentlemen know what it takes to come to Ottawa, particularly from out west, from where some of our members have to come. They give us all sorts of information and they have helped us greatly in educational ways. But after all, when you have a whole lot of men sitting around discussing things, they do not see them the same way as we women see them. That is the only way I can say it, Mr. Chairman.

Mr. HERRIDGE: I want to ask you about your resolution. It reads:

4. Be it also resolved—That representatives of the Non-Pensioned Veterans' Widows Association be called before the War Veterans' Allowance Board at least once a year to discuss problems appertaining to the widow.

Are we to understand now that actually what you are recommending is that there should be a lady member of the War Veterans' Allowance Board?

The WITNESS: May I answer you this way, Mr Herridge: On many occasions we women come down here—Mr. Chairman, may I make this statement off the record for special reasons?

The CHAIRMAN: That will be all right. This will be off the record.

(Discussion continued off the record)

The CHAIRMAN: Now, gentlemen, we will resume the record.

Mr. LENNARD: Mr. Chairman, I would move that the expenses of these ladies to attend before this committee be paid by the committee.

The CHAIRMAN: All right, Mrs. Wainford.

The WITNESS: I now come to No. 5:

5. Be it also resolved—That the benefits of the Last Post Fund be extended to the indigent widow of a veteran.

That is in regard to the widow who dies and in many cases has to be put in a pauper's grave. We have had no instance on record of any widow who was buried under the Last Post Fund. That is entirely for the veteran himself. I think there is a certain amount goes in there from the Poppy Fund, and the Red Cross. Am I correct in that?

Mr. WOODS: No. That fund is maintained by the government.

The WITNESS: I am sorry. That was the fund which was really founded by Mr. Aird, wasn't it, the Last Post Fund?

Mr. WOODS: The funds are put up by the government and it is administered by a private committee.

Mr. GREEN: What is the grant each year?

Mr. WOODS: I haven't the figures before me but I will look that up.

The CHAIRMAN: I think it is maintained at a certain level, depending on how much the use.

Mr. WOODS: I could find that out for you.

The WITNESS: Coming directly to the case of the widows, in many cases we have had widows who really have no insurance because during the depression many people had to sell their policies; not only widows but families had to sell their insurance policies, and we have found in many cases that widows have had no insurance and sometimes their families cannot see that they are laid away in a respectful manner. Well, there is no alternative under the Act, or no where they can go except to the municipality where they will have to try to get some assistance; or, maybe to the Poppy Fund which may give a small amount; or to the Red Cross or something like that. I think that is a kind of an important issue as far as the widow is concerned.

Mr. GREEN: Has that point been discussed for the Last Post Fund?

Mr. WOODS: I do not believe it has, Mr. Chairman. The fund disbursements in each year are covered by order in council, and government expenditures to the fund are made to meet disbursements. I do not know that this question of providing burials for widows has ever been discussed. I will make inquiries.

Mr. BROOKS: We have certain provisions in the regulations but I do not think the widow is provided for.

The CHAIRMAN: They are not.

Mr. WOODS: That is true. Mr. Green asked if it had ever been discussed. They are governed by order in council. Whether that has been discussed or not, I do not know.

Mr. GREEN: Would there be any objection to having it considered?

Mr. CROLL: Are we not going to consider all these resolutions and make recommendations?

Mr. GREEN: I was wondering if there would be any objection to having it considered by the Last Post Fund.

The CHAIRMAN: Trustees are appointed who serve without remuneration. It is one of those public services which people do in the various communities. And they themselves could not conceivably have any objection to any variation of the order in council. The appeal would have to be to the source of the money which is the government in council, and it might properly go from this committee if we so desire.

The WITNESS: Mr. Chairman, I would like to try to show you where there may be a way out of this. Last year when we were down here during this time of the year the same question was brought up with the Honourable Ian Mackenzie, and the information we received from him; and we have a letter here whereby his statement is retracted. I think it was a valid statement. He said that all veterans were free to take matters up with him, and that he would take those matters up with the other cabinet ministers and also with the officials concerned in the various departments. The veterans say that we want to talk with our representative himself and find out what can be done—he said that all we had to do was just to wire him, not to hesitate but to wire the department and reverse the charges, and in a case of this kind he would see, or the department would see that the widow would be laid away in a proper manner. In October this same question was brought up and the proper procedure was indicated to us. It was also said by the minister—I have his letter here but I do not want to read it; I can hand it to you, Mr. Chairman, do you want to see it?—that he did not recollect saying any such thing.

Mr. BROOKS: Did you try that procedure out?

The WITNESS: No, we never had occasion to try it out, as far as I know. What we are really after now it to get everything in black and white so that we will know should occasion arise what to do, without having anybody back up on what they say again. We have had too many promises and not enough action on this.

The CHAIRMAN: You are not going to see a change of ministers every year.

The WITNESS: No, I hope not.

The CHAIRMAN: All right.

The WITNESS: We are here for action this time, Mr. Chairman.

The CHAIRMAN: You tell that to the whole committee, not to me alone.

The WITNESS: I will tell it to the whole committee, the whole lot of them.

Then our resolution No. 6 is:

“Be it also resolved—

That we appeal to the Dominion government for the necessity of making prompt provision for the non-pensioned widows of imperial veterans, by the extension of the War Veterans' Allowance Act under the same conditions as the Canadian non-pensioned widow, providing that such widows have been domiciled in the Dominion for a reasonable time.”

Now, I think I said to you a few minutes ago that perhaps we should change our second resolution to say, only Canadians who served in England. Now, I come back here to my resolution and ask you to make provision for bringing in all these Imperials. There is something there which I think we should leave entirely to the department to decide. We know that other veteran organizations are active on it. I think that every veterans organization which comes here stresses the point for the Imperials who reside in this country, and who have resided here for a sufficient period of time. As far as I understand it there will be representatives of the Imperials called before this committee at a later date, but as it has always been in our resolutions I thought I would bring it forward to the committee and leave it entirely to their jurisdiction, what they want to consider on the matter. We want to see anything that can be done for the Imperial widow done, and we will be glad to give the matter our support.

MR. BROOKS: You referred to widows having lived in Canada for a reasonable length of time; did you have in mind the widow, or the Imperial soldier himself? There is a difference. The Imperial soldier might have come to Canada and he might have died here after only a short time in Canada and then the widow would be gone from Canada. Do you mean the Imperial soldiers who have been in Canada for a long time, or for a reasonable length of time, and then that his widow also should get it?

THE WITNESS: Mr. Chairman, I do not pretend in any way to know what the other veterans organizations are offering toward the Imperial and I have not any knowledge about it myself. I will answer this question just as if it had never been discussed in any way. After the first war I would say there were hundreds of families of men who served in the Imperial army and emigrated to this country. I think that would be the veteran, and his widow whom we are trying to help at the present time. These men all came out here thirty, or ten or twenty-five years ago. They have contributed materially to the development of the country. These men and women came out here to do that. I think those are the type of Imperials whom we are trying to help at the present time, providing that they came out to this country and that they lived in Canada for a certain period of years.

THE CHAIRMAN: There is also the case, is there not, of the Imperial who served and came out to Canada and subsequently married in Canada? His widow would also be included?

THE WITNESS: Yes, but the veteran must be here first before we consider him.

THE CHAIRMAN: Does that complete your presentation?

THE WITNESS: Yes, I think it does, unless there are any other ladies who would like to add anything.

Just a moment, there is another resolution here which I have not dealt with:

"7. Whereas the non-pensioned widows request that all veterans graves be marked by an official marker."

I think we can leave that in the background because we have taken that up on previous occasions with Mr. Mackenzie and his officers in the department. By the information that he has given us up to the present time I think it will be all right.

I do not think I have taken too much of your time and if any of these women have anything they would like to ask, questions from the chair, or from the members of the committee, if that would be in order I do not think it would take more than say 15 minutes.

The CHAIRMAN: Thank you very much, Mrs. Wainford.

These are the ladies of the delegation, and now that they are here if any of them would like to ask questions, or make observations with respect to these resolutions, if the committee is agreeable, we might hear them now.

Mrs. Ethel Darville, Vancouver, called:

Mr. Chairman and gentlemen, we have in Vancouver and British Columbia a very large number of deserted wives. We also have deserted veterans, but we have a really large number of deserted wives. Some of the men just went out in the morning and they were never seen again, and when the wives make applications they find out that their men are in hospital. I do not need to say that these men are deliberately running out on these wives. It is more a mental thing. I do hope that during your sittings you bring this matter forward strongly. We also had a very bad case of an Edmonton woman who married a man in British Columbia and lived with him just three weeks and her complaint was that he was utterly impossible to live with, he was a positive beast. You see that this is a serious question and I do hope you will give the matter some consideration.

Mr. GREEN: There is no provision at all in the Act at the present time covering desertion?

Mrs. DARVILLE: No.

The CHAIRMAN: That is correct, there is no provision. Now, are there any other ladies who would like to speak?

Mrs. ADA FULLER (Toronto): I would like to speak on behalf of all the compassionate widows who are receiving a pension of less than \$60. We have followed Hansard and we have noticed that no case concerning the compassionate widow has been mentioned for an increase in pension and we want you to know we have to pay 72 cents a pound for butter the same as the widow getting \$60 or the woman making around \$150 a month herself. I speak for the compassionate widows throughout the country from Halifax to Vancouver. We wish you would recommend an increase, and without the means test, for them. The government are not giving us a compassionate pension if we do not deserve it.

Mr. GREEN: You refer to the pension under the meritorious service clause?

Mrs. FULLER: Yes.

Mr. GREEN: Could the minister tell us what is to be done in those cases? Is there to be an increase in the pension paid under the meritorious clause?

Hon. Mr. GREGG: Brigadier Melville may be able to answer that.

Mr. MELVILLE: There is no fixed amount of award as of right. In other words, the Act provides that the commission shall pay such amount as is considered necessary under the circumstances. When the Act is amended and increased rates are provided for widows and parents the commission will likely receive a number of applications from those who are in receipt of awards under section 21, and each of those applications will receive most sympathetic consideration.

Mr. FULTON: Under section 21 are you limited?

Mr. MELVILLE: There is no limitation beyond the statutory ones in the Act.

Mr. GREEN: It would be a rather anomalous position if those awards were not increased in the same way as the regular awards are increased? I understand that the average payment for a widow would be, say, \$40 a month.

Mr. MELVILLE: I could not answer that offhand.

The CHAIRMAN: It is less than \$60 anyway.

Mr. GREEN: Surely the intention is that those awards will be increased just as other awards in the schedule of the Act are increased.

Mr. CROLL: Is not that what Mr. Melville said?

Mr. MELVILLE: There is no intention that anyone who is in receipt of a compassionate award would not receive a great measure of compassion in reviewing the claim.

The CHAIRMAN: Would not the position be this, that whereas the legislation previously gave power to award compassionate grants under section 61 up to the same pension as of right, if the pension as of right is lifted from \$60 to a higher sum then the pro rata would apply with respect to compassionate pensions? If the intent of section 21 has any meaning at all that would be the natural result, would it not?

Mr. WRIGHT: That would only apply where there were new applications, but I think what the committee would like to know is what will happen to these grants that have already been given. Will they automatically be increased by the ceiling that the pension is increased by or will individual application have to be made?

Mr. MELVILLE: Mr. Wright gives me an opportunity to say that the commission during the last six months of the year has been reviewing every award in payment under section 21, and we have increased an appreciable number. We are reviewing each individual case. The review is not quite complete.

Mr. McKAY: I wonder if Brigadier Melville could give us the figures of widows receiving compassionate pensions; give us some idea as to how many are receiving them and how much outlay is required from the treasury to meet the advances?

Mr. MELVILLE: I haven't the figures. I shall be pleased to get the figures as to the total number of awards in payment under section 21 together with any breakdown I can get to meet Mr. McKay's question.

Mr. PEARKES: Reverting to the question of deserted wives, would the legal officers of the department be able to give assistance to a wife who has been deserted in trying to get a divorce if she has reasonable grounds for getting a divorce? I had a case in British Columbia brought to my attention only last week in which a woman claims she has grounds for divorce against a soldier husband who has deserted her and she is unable to attempt divorce proceedings because of the cost. Now, I do not want to do any lawyer out of a job, but it would be a great help to those deserted wives.

The CHAIRMAN: The deputy minister can answer that.

Mr. WOODS: Mr. Chairman, in answer to Mr. Pearkes' question may I say that our legal staff throughout the dominion do render what advice they can within reason, but when it comes to disbursements they are not able to pay disbursements. We can only expend moneys for those things which parliament authorizes us to expend money for in the estimates, and we have no authority to pay moneys or disbursements for divorce or any other action at law between the veteran and his wife or vice versa.

While I am on my feet may I answer Mr. Green's question about the Last Post Fund. The amount of that fund is being replenished during the current fiscal year by \$125,000. That is an increase of \$25,000 over 1947-48 when it was \$100,000.

Mr. GREEN: I do think that this question with regard to meritorious awards is very important. Section 21 reads:—

21 (1) The commission may, on special application in that behalf, grant a compassionate pension, allowance or supplementary award in any case which it considers to be specially meritorious . . .

Those are cases where there has been splendid service. I think that is the basis on which the pension is granted.

. . . but in which the commission has decided that the applicant is otherwise unqualified to receive such an award or supplementary award under this Act.

(2) The amount of any compassionate pension, allowance or supplementary award granted under this section shall be such sum as the commission shall fix, but not exceeding the amount to which the applicant would have been entitled if his entire claim to payment had been upheld.

The CHAIRMAN: Do I understand you to suggest that the Act says that if you raise it from \$60 to \$75 that automatically raises the ceiling?

Mr. GREEN: What worries me is this: there will be many cases in which the widow—and the same is true of the veteran who is getting his award under this section—may not apply for an increase even although there is the widest publicity given to the possibility of such increase. There will be many veterans and widows who will not hear of it and will not apply. Now, I do suggest that once the increase in pension goes through that all the cases under section 21, both for the veterans and the veterans' widows, should be automatically considered and given the increase. I am sure the committee will agree with me on this suggestion. It is a matter of administration, and I urge most strongly that that be done.

The CHAIRMAN: I am in complete accord with what you say as an individual, and I feel perfectly sure that when the committee comes to consider the clause by clause amendments to the bill that such a recommendation by this committee would be—I do not say that it will affect the legislation—but no amendment is needed, and we would be at perfect liberty at that time to make such a recommendation if the committee concurs. I think that is the time to do it and give what comfort we can to these ladies by expressions such as your own. That is the only purpose we can serve at the moment.

The WITNESS: I am pleased Mr. Green brought up that point. Previous to coming into this committee meeting the same question was brought up by Brigadier Melville who was in our convention room, and the lady who brought it forward thought it would be nice to bring it before this committee; because I want to tell you that Brigadier Melville has done everything in his power to try and help in the cases that we take to his office, and he goes to the limit as far as his powers go. But we would advise—and I would like to get this rectified—under section 21 the Brigadier led us to understand that automatically this \$10 increase would not come to us, that we must apply for it. I do not see why if a pensioner himself is getting the increase and the pensioner's widow is getting the increase and is at \$60 all along. Now, under section 21 they include from \$20 to \$50 compassionate pension—that is about the maximum—they can get \$60, but \$50 is usually the maximum. I do not see why these widows under section 21 should not get \$10 automatically as the others do without having to apply for it.

The CHAIRMAN: You mean the percentage of increase?

The WITNESS: Yes, the percentage of increase. I will now call upon Mrs. Helen Hickey, of Toronto to address the committee.

Mrs. HELEN HICKEY: Mr. Chairman and gentlemen, the other day when Colonel Garneau was in the meeting I forgot to ask a question, and the question

arose the next day; it was this: when a veteran dies and his widow is left with the amount he was receiving at the time of his death, does that continue for one year?

Colonel GARNEAU: Yes.

Mrs. HICKEY: Do I understand that during that year she is allowed to make as much as possible as regards earnings?

Colonel GARNEAU: Yes, I can answer that in the affirmative. Originally that section was known in the former Act as section 9, when there were no widows, allowances provided, so a section was put in there to help tide over the worst period of adjustment for the woman who had lost her husband and was left with children and so on. It has been preserved in the present Act, under section 17(1), and the board has in the greatest possible measure tried to apply it as liberally as possible without investigating too closely to find if she had \$1,200 or \$1,500 insurance or something.

Mrs. HICKEY: Thank you.

Mr. LENNARD: Mr. Chairman, I move that this committee recommend to the government that the expenses of this delegation be paid.

Mr. BAKER: I second that motion.

The CHAIRMAN: I do not think this matter requires any recommendation to the government; our reference gives us the power to pay expenses. It is moved by Mr. Lennard and seconded by Mr. Baker that the committee authorize the payment of the expenses of these ladies, and I shall be very happy to so order.

Mr. GREEN: Do any of the other ladies wish to say anything?

Mrs. WAINFORD: No. I have asked the ladies whether they wished to speak. There is a lot we would like to say, but on previous occasions we have never overstepped our privilege.

Once again on behalf of the delegates who come from right across the country, speaking on behalf of the veterans' widows, Mr. Chairman, Mr. Minister, Mr. Deputy Minister, the officers of the Veterans Affairs Department and the officials who have received us here in Ottawa and have shown that they are 100 per cent behind us, I wish to say that we want you to act for us and show us something after all our work in coming here. Some of us are here on shoestrings. We are looking for action. Once again I want to thank you all and wish good luck to you all.

Hon. Mr. GREGG: Madam president, and ladies of the committee: I desire, first of all, to congratulate you, madam president, on the very able and fair presentation which you have made. I had the pleasure of meeting you yesterday when you assembled here and I shall not go over that ground again, but I do thank you for your presentation as you have made it. I assure you that the members of this committee will give their earnest consideration to your presentation.

Mr. CROLL: Are you going to adjourn, Mr. Chairman?

The CHAIRMAN: We shall adjourn if there is no other business.

Mr. CROLL: I have a question. In dealing with the Pension Act we have not fixed the basic pension rate. There are so many committees sitting now that it is not possible for us to be here all the time. It seems to me that it would be in the interests of the committee to avoid what we might call a snap, or minority opinion, and for that reason I suggest that it might be possible to fix a day when we will vote on the basic pension rate. That might be more satisfactory than keeping all of us on a watching brief. It is quite difficult for us now that the Industrial Relations Committee has started to sit and the External Affairs Committee has started to sit.

Mr. GREEN: You should not be on all of those committees.

Mr. CROLL: Well, you might not always be here, Mr. Green. I would ask the chair to advise us of the vote so we could be present.

The CHAIRMAN: I think that is asking something which the chairman is unable to control, but I would say that I am of the opinion that the important thing is an expression of opinion from the committee. I would be very happy to discuss Mr. Croll's suggestion with the steering committee and, if the steering committee were to bring a unanimous suggestion to the committee, something might be worked out. I am not timid naturally, and not too modest, but I would not like to assume the responsibility of designating a time for a vote. I think it might be possible, when we have heard most of the relevant information which the committee desires to hear, to agree in the committee that on such and such a day we will record our opinion. However, I am in the hands of the committee.

Mr. GREEN: I think it would be very unfortunate if we allowed the very bad habit of not doing important business on Mondays and Fridays to be transplanted into this committee.

The CHAIRMAN: That is not the suggestion.

Mr. GREEN: I suggest the vote occur in the ordinary way. If the vote comes tomorrow those who are here can vote and those who are not here cannot vote. I do not think the steering committee should be asked to say that on such and such a date there will be a vote because some members will be away on such and such another day. That is what the suggestion amounts to.

Mr. CROLL: Mr. Chairman, my reason for suggesting the procedure is not to be excused attendance. It is no pleasure for me to vote a certain way on a certain motion, but I do not want it suggested later on that I had the opportunity to vote but that I was not here. This is a very important question and any day suits me; I am ready to take my chance the same as anyone else but I think we ought to have a full expression of opinion and for that reason notice would have been a good thing.

Mr. PEARKES: Does that apply to all votes?

Mr. CROLL: No, no.

The CHAIRMAN: I think, gentlemen, the suggestion which has been put forward might receive your consideration. At the moment, however, the chair is not in the position to make a guess.

The meeting adjourned to meet again Friday, April 16, 1948, at 11.00 a.m.

APPENDIX "A"

REPORT OF A COMMISSION APPOINTED UNDER THE PROVISIONS OF PART I OF THE INQUIRIES ACT BY ORDER IN COUNCIL P.C. 4980 DATED DECEMBER 4, 1947, AS AMENDED BY ORDER IN COUNCIL P.C. 75 DATED JANUARY 8, 1948

1. The following members of Parliament were appointed by Order in Council P.C. 4980 dated December 4, 1947, and Order in Council P.C. 75 dated January 8, 1948, as Commissioners under Part I of the Inquiries Act for the purposes hereinafter set forth:—

The Honourable James J. McCann, M.P., Chairman, Ottawa, Ont.,

Dr. M. E. McGarry, M.P., Margaree Forks, N.S.,

Dr. W. G. Blair, M.P., Perth, Ont.

J. O. Probe, Esq., M.P., Regina, Sask.,

R. H. Winters, Esq., M.P., Lunenburg, N.S.,

in the absence of The Honourable James J. McCann, M.P.

F. L. Barrow, Esq., Ottawa, Ont., Departmental Secretary, Department of Veterans Affairs, was Secretary of the Commission.

2. The purpose of the Commission was to investigate complaints made by Walter H. Kirchner, Esq., M.C., D.C.M., Secretary, Canadian Combat Veterans Association, Inc., Vancouver, B.C., regarding pension and treatment services and, in particular, to inquire into and report to the Minister of Veterans Affairs on

(i) the adequacy of the treatment provided by the Department of Veterans Affairs with respect to the cases concerning which Mr. Kirchner has made representations;

(ii) the qualifications and competence of Departmental doctors treating these cases; and

(iii) the adequacy of pension consideration given to the cases concerning which Mr. Kirchner has made representations.

3. The Commission was authorized to sit at such times as it deemed necessary in any part of Canada.

4. The Commission held thirty-five sittings—twenty of the sittings being held at Ottawa, eight at Vancouver, and seven while travelling from Ottawa to Vancouver and during the return trip.

5. The Commission was charged with considering the cases of sixty-two veterans with respect to whom Mr. Kirchner had made representations. Subsequently, in giving his evidence at Vancouver, Mr. Kirchner presented one additional case in which it was understood that he had become interested only very recently.

6. The files of these veterans were fully studied by the Commission and, where necessary to supplement written evidence, witnesses were heard. In all, twenty-four witnesses, including Mr. Kirchner, were heard, (See Appendix "E").

7. In fifty-three of the sixty-three cases (see Appendix "D"), the Commission determined to its satisfaction, without proceeding beyond the evidence contained in the files, that there was no basis to substantiate the complaints within the

scope of this investigation or indeed to substantiate any reasonable complaints. With respect to the remaining ten cases, the Commission considered it necessary before reaching its conclusions to examine certain witnesses at Vancouver, to inspect the facilities at Shaughnessy Hospital and to observe the techniques of the medical and surgical personnel there employed. To this end, the Commission held sittings at Vancouver on January 13, 14, 15 and 16, 1948.

8. Of these ten cases, four (namely, H-6417 J. S. Beltz, R-160565 L. T. Campbell, V-52017 F. W. Connorton, L-50094 T. Jacobson) were cited by Mr. Kirchner with respect to the adequacy of the treatment service and the qualifications and competence of Departmental doctors; six (namely, 954 A. B. W. Crowhurst, 2383221 and 152508 H. Kerr, R-51564 E. J. Maxwell, K-50543 J. H. Mills, K-75736 A. Perfitt, V-86097 S. L. Walsh) were cited with respect to the adequacy of pension consideration.

9. As to the complaints concerning treatment--

- (a) The Commission carefully read the file record of the four cases mentioned in paragraph 8, heard Mr. Kirchner's representations and interviewed three of the veterans themselves. Furthermore, the Commission inspected in detail Shaughnessy Hospital, the George Derby Health and Occupational Centre and Hycroft Veterans' Home, and question medical and other staff. The medical members of the Commission observed surgical techniques at three operations.
- (b) The Commission is satisfied with, and finds no basis for complaint concerning, the organization, operation and facilities of Shaughnessy Hospital and the other institutions inspected.
- (c) The Commission is satisfied with, and finds no basis for complaint concerning the qualifications of Departmental doctors. In two cases, veterans harboured resentment against the psychiatric service. Some lack of experience on the part of a junior psychiatrist and the inability of these patients to understand the reasons for psychiatric methods (although allegedly the reason were fully explained to them) were factors which led to this resentment. The Commission is satisfied, however, that this did not detract from the professional value of the psychiatrist's work nor from the adequacy of the treatment. On the whole, the Commission is fully satisfied with the high degree of the competence of all Departmental doctors.
- (d) The Commission found that the medical and surgical treatment and the results attained are quite satisfactory and of a high calibre—as high as in any hospital in Canada. The percentage of successful operations at Shaughnessy Hospital is, in the opinion of the Commission, well in line with that obtaining anywhere in the profession.
- (e) The Commission heard witnesses in support of complaints that the treatment of former prisoners-of-war of the Japanese was not adequate, but it was unable to find any evidence to support such complaints and was impressed with the careful and sympathetic manner in which these cases were handled by the professional staff of Shaughnessy Hospital.
- (f) The complaints of stigma associated with hospitalization in the psychiatric ward prompted the Commission to undertake a careful study of this phase of treatment. Although the Commission is satisfied that the methods employed at Shaughnessy Hospital are in accordance with the best accepted institutional practice, it stresses that the utmost care and sympathetic understanding must be accorded to the preferred class of patient, the Hong Kong prisoners. The Commission is satisfied that all cases were made the subject of consultation by the specialist staff and, on their recommendations, patients were moved to the psychiatric division. This was considered to be in the best interests of the patients.

- (g) The Commission was impressed with the extent of the disability suffered by some of the Hong Kong prisoners and is of the opinion that they are entitled in the matter of pensions to the most generous and liberal consideration.
- (h) Because of the emphasis placed by Mr. Kirchner on complaints arising out of low back pains and resulting disability, the Commission examined fully into these cases. In many instances, the cause of these pains is diagnosed as Protruded Intervertebral Disc—the remedial measure being an operation to remove the intervertebral disc and effect a spinal fusion. It was established to the satisfaction of the Commission after detailed questioning of professional witnesses that, while the operation is not always completely successful, the percentage of successes at Shaughnessy is at least as high as that obtaining elsewhere. Back fusion is regarded as a major operation and is only undertaken at Shaughnessy Hospital after a consultation at which it has been decided that the operation is in the veteran's best interests and is likely to lead to improvement of his condition. The Commission wishes to comment particularly on the high qualifications and exceptional competence of the Neuro-surgeon Specialists at Shaughnessy Hospital. Further evidence was sought with respect to particular types of back cases in which the Canadian Pension Commission's ruling was based on a finding of a pre-enlistment condition of congenital origin. The Commission realizes that it is difficult for a patient to appreciate the fact that, after many years of heavy labour without inconvenience or pain, the onset of disability could be due to a congenitally malformed spine. The Commission is satisfied, however, after hearing evidence, that such a condition can and does exist and that disabilities arise therefrom.

10. As to the complaints concerning pension—

- (a) The complaint in the six cases to which reference was made in paragraph 8 of this Report all related to the one point, namely, pre-enlistment conditions. Various charges against the Canadian Pension Commission have been made by Mr. Kirchner, such as "deliberate falsification of reports"; "being accessories to the fact in this criminal procedure"; "perjury"; "committing a felony" and "criminal irregularities". The Commission made a conclusive finding that in none of the cases examined does the record substantiate these charges or even suggest that a basis for the charges exists or that the case was carelessly handled. It may well be that errors appear in the records and, if so, these can normally be corrected by the machinery of the pensions legislation. After examination of witnesses and of the records themselves, the Commission is fully satisfied that there was no malicious or deliberate intent to deprive the veteran of his rights.
- (b) The Commission has carefully studied cases where the decision of the Canadian Pension Commission is in dispute—either as to the propriety of the finding that the disabling condition existed prior to enlistment and was aggravated during service, or, in the case of an admitted pre-enlistment condition, as to the adequacy of the fraction of aggravation which the Canadian Pension Commission has granted. The Commission heard witnesses and weighed differing views on this subject. The Commission realizes that the relevant sections of the Pension Act are difficult to administer and is aware that efforts have been made over the past years to formulate more specific language to convey the intent of Parliament.
- (c) It is emphasized that the six cases referred to in paragraph 8 are only a small percentage of those in which complaints were made by Mr. Kirchner. However, the Commission attaches importance to the

fact that these six cases have not been dealt with to its entire satisfaction. The Commission holds the view that, even with an unchallenged record of a pre-enlistment incident, due weight should be given to the question of whether or not an appreciate disability existed at time of enlistment in the forces.

This Commission has noted the definition in Section 62 of the Pension Act of "benefit of the doubt" which requires the Canadian Pension Commission to draw all reasonable inferences and presumptions in favour of the applicant. This Commission is of opinion that the Canadian Pension Commission has not in all of these six cases invoked to the fullest extent the "benefit of the doubt" clause in dealing with this particular type of case. The Inquiry Commission is of the opinion that this legislation is intended to enable the Canadian Pension Commission to make a finding more favourable to the applicant in certain of the cases which it has examined.

The Commission noted that, in the administration of the Pension Act, the Canadian Pension Commission has dealt with many cases and in comparatively few do justifiable complaints arise. The Commission draws the conclusion that the Pension Act is administered by competent and conscientious personnel and that consideration of the applications is generally adequate.

11. With respect to the case of No. 86684, John Thom, the Commission has written answers to the questions which appear on Pages 5883 and 5884 of *Hansard* of July 16, 1947. These answers, together with the Commission's comments on certain allegations made by Mr. Kirchner in this case, are attached as Exhibit "C" to this report.

JAMES J. McCANN, M.D., *Chairman.*

M. E. McGARRY, M.D., *Member.*

W. G. BLAIR, M.D., *Member.*

J. O. PROBE, *Member.*

LIST OF APPENDICES

Appendix "A"—Order in Council P.C. 4980 of December 4, 1947.

Appendix "B"—Order in Council P.C. 75 of January 8, 1948.

Appendix "C"—Answers to questions, and comments concerning allegations, in the case of No. 86684 John Thom.

Appendix "D"—List of cases concerning which Mr. Kirchner made representations.

Appendix "E"—List of Witnesses.

Appendix "F"—Report by Dr. W. P. Warner.

APPENDIX "A"

MD/10

P.C. 4980

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 4th December, 1947.

The Committee of the Privy Council, on the recommendation of the Minister of Veterans Affairs, advise that the following members of the House of Commons be appointed Commissioners under the provisions of Part I of the Inquiries Act, Revised Statutes of Canada, 1927, Chapter 99, to sit, for the purposes hereinafter set forth, at such times as the said Commissioners shall decide in any part of Canada:

The Honourable James J. McCann, M.P., Chairman, Ottawa, Ont.,

Dr. M. E. McGarry, M.P., Margaree Forks, N.S.,

Dr. W. G. Blair, M.P., Perth, Ont.,

J. O. Probe, Esq., M.P., Regina, Sask.

The Committee further advise:

1. That the Commission investigate complaints made by Walter H. Kirchner, Esq., M.C., D.C.M., Secretary, Canadian Combat Veterans Association, Inc., Vancouver, B.C., regarding pension and treatment services and in particular to inquire into and report to the Minister of Veterans Affairs on

(i) the adequacy of the treatment provided by the Department of Veterans Affairs with respect to the cases concerning which Mr. Kirchner has made representations;

(ii) the qualifications and competence of Departmental doctors treating these cases; and

(iii) the adequacy of pension consideration given to the cases concerning which Mr. Kirchner has made representations.

2. That there shall be paid to the aforesaid members of the said Commission reasonable living and travelling expenses for days spent on the business of the inquiry, but only for such days when Parliament is not in session or when Parliament is in recess, as certified by the Chairman of the Commission.

3. That F. L. Barrow, Esq., Ottawa, Departmental Secretary, Department of Veterans Affairs, shall be Secretary of the Commission.

4. That any persons summoned to give evidence shall be paid actual transportation and travelling expenses; and

5. That costs incurred under this Order shall be charged to Departmental Administration.

A. D. P. HEENEY,
Clerk of the Privy Council.

APPENDIX "B"

COPY

MD/7

P.C. 75

Certified to be a true copy of a Minute of a Meeting of the Committee of the Privy Council, approved by His Excellency the Governor General on the 8th January, 1948.

The Committee of the Privy Council, on the recommendation of the Minister of Veterans Affairs, advise that Order in Council P.C. 4980 of the 4th December, 1947, be amended by adding immediately below the name of J. O. Probe, Esq., M.P., Regina, Sask., the following:

R. H. Winters, Esq., M.P., Lunenburg, N.S., in the absence of The Honourable James J. McCann, M.P.

(sgd) A. D. P. HEENEY,
Clerk of the Privy Council.

APPENDIX "C"

ANSWERS TO QUESTIONS BY MR. QUELCH ON PAGES 5883-4 OF
HANSARD JULY 16, 1947 IN CASE OF 86684 JOHN THOM

1. Q. Did John V. Thom, M.M., No. 86684, 21st Battery, Canadian Field Artillery, enlist in the 1st great war, November 12, 1914, at Regina, Saskatchewan, classified physically A.1., with no mental or physical defects; age twenty-two?

A. Although not specifically classified A.1., no defects or physical disability noted on examination at Regina for enlistment at age 22 on November 12, 1914.

2. Q. Was he discharged April 9, 1919, completing four and a half years of service?

A. Date of discharge: April 5, 1919.

3. Q. Did he spend three years of this time in France as a combatant, in the forward areas of war, identified with the great battles of the Canadian army corps, and decorated with the Military Medal for bravery?

A. Embarked for France January 18, 1916; Transferred to England December 29, 1918; Awarded Military Medal July 18, 1917.

4. Q. Was he wounded May 12, 1917, but remained on duty in the line?

A. Wounded May 19, 1917; remained on duty.

5. Q. Did he suffer attacks of dysentery in September, 1918?

A. Yes.

6. Q. Was he blown up and buried by an exploding ammunition dump, from the direct hit of a German high explosive shell?

A. Ammunition dump explosion is not recorded on Mr. Thom's service documents, but on June 9, 1917, he is recorded as proceeding to 1st Army Rest Camp and rejoining unit on June 23. The history of explosion in June 1917 is given in affidavit dated November 28, 1930, by Henry James Robbins of Vancouver, a comrade of Mr. Thom's.

7. Q. Was he dug out of debris and earth by his comrades, in a semi-conscious condition, sick and vomiting and subsequently evacuated to a rest camp for several weeks to recover?

A. (See 6 above).

8. Q. Does his medical and military record and personal narrative of events show he never has recovered from that experience, although carrying on again in the line until the war ended?

A. The Canadian Pension Commission has ruled on the evidence that C.S.O.M. and neurasthenia were incurred during service.

9. Q. Did other members of his battery suffer similar injuries from the exploding ammunition dump?

A. There is some reference in Mr. Thom's file to injuries suffered by another soldier in the vicinity of the said explosion.

10. Q. Were several men of the battery killed by the same explosion?

A. (See 9 above).

11. Q. Are sworn affidavits of eyewitnesses to these events recorded on John Thom's departmental file and in the files of the Department of National Defence?

A. See Mr. Robbin's affidavit dated November 28, 1930, on Mr. Thom's file.

12. Q. Was he certified by departmental specialists, February 24, 1919, as suffering from deafness in the right ear as a result of a burst ear drum from the ammunition dump explosion?

A. On February 24, 1919, an army specialist, Captain W. W. Hume, certified Mr. Thom to be suffering with defective hearing right ear. He gave it as his opinion that the condition was not present before enlistment and has been caused by service.

13. Q. Do not departmental files record a discharging right ear, with increased defective hearing, from demobilization in 1919 to April 1927, at which time John V. Thom was granted a ten per cent pension for C.S.O.M. (deafness), as incurred on service?

A. In April, 1927, when Mr. Thom was granted a 10 per cent pension for C.S.O.M. the Board of Pension Commissioners authorized pension at 5 per cent retroactive to date of demobilization.

14. Q. Did John V. Thom claim pension for the following medically certified conditions, arising out of his head injuries, as symptomatic of a general condition of total disability?

- (a) Persistent, severe headaches
- (b) Dizziness and vomiting
- (c) Nervous prostration
- (d) Labyrinthitis and
- (e) "General Neurosis" associated with chronic suppurative otitis media. (Neurasthenia)

A. Yes, although some of the conditions mentioned are taken from history given by Mr. Thom and incorporated in medical certificates.

15. Q. Does John V. Thom also suffer from the complete loss of sight in the right eye, as part of his head injuries, but for which he is not pensioned?

A. No, but eye specialist's report on August 11, 1947, shows vision of left eye 1'.

16. Q. Did the Canadian pension commission arbitrarily rule out of his claim all organic conditions of disability for pension consideration, and did they compel John Thom to apply for one condition, specified by them, without the organically related symptoms to support his claim?

A. No. Mr. Thom was discharged as fit in April, 1919, all systems being reported as normal. In 1927 he was granted entitlement on first application for defective hearing, retroactive to the date of discharge. There was then no evidence or mention of any other condition. He claimed in respect of headaches and nervousness in November, 1930, for which disability he was then assessed at 5 per cent. The grant of entitlement for defective hearing refutes any suggestion that the pension adjudicating body was obstructing or restricting this pensioner in his efforts to establish pension entitlement. His file shows that the

Commission took cognizance of the reports and opinions of the following specialists: Drs. DesBrisay, Emmons and Lawrence. The Chairman of the Commission, giving evidence to the Inquiry Commission stated that when there is doubt as to diagnosis, etiology or relationship of the condition to service, outside specialists' opinions are secured.

17. Q. Was this condition, specified by the Canadian Pension Commission, classified as "neurasthenia"?

A. It was referred to as neurasthenia. Mr. Thom appeared before a Pension Tribunal sitting in Vancouver on April 27, 1933, and one of his claims was for neurasthenia. In a "Statement of Claim" completed and signed by him under date of September 21, 1937, he claimed for the same condition, neurasthenia.

18. Q. Was it arbitrarily related by representatives of the commission to a functional (presumptive) instead of an organic basis?

A. No. The diagnosis of "neurasthenia" was first referred to by a Pension Medical Examiner in 1930 and confirmed by a Departmental Psychiatrist in 1933. The condition was subsequently referred to by specialists as "neurosis" and "psychoneurosis".

19. Q. Was the functional condition of neurasthenia related by the pension medical examiner (Dr. B. F. Keillor), Shaughnessy Hospital, Vancouver, B.C., to alleged (presumptive) economic conditions and as unrelated to the injuries sustained by John Thom in service?

A. Yes.

20. Q. Did Doctor William Baillie, departmental psychiatric consultant, who has never seen John Thom personally, submit as "evidence" to the Canadian pension commission his opinion based solely on a statement alleged by Doctor B. F. Keillor to have been made to him by John Thom?

A. Dr. Baillie accepted Mr. Thom's signed statement at examination dated November 27, 1930, and formulated his opinion of October 31, 1938, on this and perusal of the file four times.

21. Q. Did John Thom submit evidence to the Canadian Pension Commission denying the statements attributed to him by Doctor B. F. Keillor and submitting documentary evidence in proof they should have been expunged from the records as falsities?

A. On August 10, 1943, Mr. Thom submitted a further signed statement, with documentary evidence, denying certain portions of the signed statement of November 27, 1930.

22. Did the Canadian Pension Commission accept Doctor William Baillie's opinion, based on Doctor B. F. Keillor's challenged statements, to outlaw John Thom's pension claim as a total war disability?

A. The Commission, having considered the evidence of Dr. Baillie as well as that of Drs. Emmons, Lawrence and DesBrisay, ruled on June 24, 1939, that neurasthenia is not attributable to service.

23. Q. Was John Thom described as in the "psychiatric" classification by departmental medical personnel (psychiatric services), and was this classification used for several years to effectively deny either John Thom or his legal representatives access to the departmental files to secure definite information as to the liaison between Doctor B. F. Keillor, pension medical examiner, and Doctor William Baillie, departmental consultant, regarding the outlawing of his pension claim?

A. The diagnosis of Mr. Thom's condition comes within the neuro-psychiatric group. The regulations of the Department provide that an applicant whose case comes within the neuro-psychiatric group shall in no instance be permitted personally to examine his file, unless authority therefor has been

granted by the Director General of Treatment Services in respect of a Head Office file, or the Departmental District Medical Officer in respect of a District file. The regulations further provide that the Deputy Minister or the District Administrator may at any time refuse to allow inspection, in whole or in part, of a file of a former member of the forces, or to impart information contained therein, even to a person or authority entitled under these regulations to be given the same, if it is considered that the inspection of such file, or the imparting of such information would be contrary to the public interest or that the former member of the forces or his dependents would be prejudiced thereby.

24. Q. Did three British Columbia medical specialists, including a brain specialist of Mayo Brothers standing, namely, Doctors R. Grant-Lawrence, H. A. DesBrisay and Dr. W. Frank Emmons, certify John Thom's condition of the total disability as directly related to his departmentally recognized war disability condition?

A. These specialists certified Mr. Thom's condition to be related to his war disability condition.

25. Q. Is Dr. H. A. DesBrisay, one of the three mentioned specialists, a recognized specialized departmental consultant?

A. Yes.

26. Q. Has John Thom been a total disability since the year 1927?

A. Examination of the files does not prove that Mr. Thom had total disability since 1927.

27. Q. Was he subsequently compelled by economic circumstances to accept the war veterans allowance to supplement a 15 per cent disability pension award in lieu of a 100 per cent pension as of right?

A. Mr. Thom was awarded War Veterans' Allowance with effect from June 1, 1938.

28. Q. Was the case of John V. Thom finally outlawed by an appeal court of the Canadian Pension Commission in the year 1939 after repeated court findings, and subsequent appeals of the legal representatives of the applicant refused to reopen the case?

A. On October 23, 1939, an Appeal Board of the Commission disallowed Mr. Thom's appeal. On March 30, 1940, an Appeal Board of the Commission ruled that leave to entertain a fresh application is "not granted". On January 9, 1945, an Appeal Board of the Commission ruled that leave to entertain a fresh application be "granted". On October 10, 1944, Mr. Kirchner had written to the Chairman, Canadian Pension Commission, requesting the case be reopened, and the submission to the Appeal Board was made by a Pensions Advocate at Head Office of the Department.

29. Q. Was the case again reopened by his subsequent legal adviser, Walter H. Kirchner, M.C., D.C.M., pension adjustment officer, Canadian Combat Veterans Association Incorporated, on representations based upon proved irregularities, as cited?

A. (See 28 above).

30. Q. Did the appeal court commissioners granting leave to reopen John Thom's case direct the attention of the Canadian Pension Commission to the medical evidence of the three British Columbia medical specialists, the "instructions" of the appeal court being, in part:—

Canadian Pension Commission

Appeal Board, January 9, 1945.

The present appeal board has made a careful study of the complete details of the application, and has also had the advantage of the report prepared by members of the appeal board, who heard the applicant, as stated above. The board has also carefully noted the communication from the pension medical examiner, Vancouver, dated October 22, 1940.

While in some respects this application is one which might be dealt with on a "consequential" basis, the board has finally decided that a prima facie case for leave to reopen has been made out, particularly having regard to the evidence of Doctors Grant-Lawrence, H. A. DesBrisay and W. Frank Emmons, at the quorum hearing. The application for leave to reopen is therefore granted.

A. Yes.

ANSWERS TO CERTAIN CHARGES MADE BY MR. KIRCHNER
IN CASE OF
86684 JOHN THOM

1. Mr. Kirchner alleges that Dr. B. F. Keillor, Pension Medical Examiner at Vancouver, committed a felony. The charge seems to be based on the fact that Dr. Keillor recorded certain employment and business activities and said "there is a marked anxiety neurosis in this case largely economic."

There is no evidence whatsoever that the said examiner committed a felony in this case. A pension medical examiner is entitled and is expected to express his professional opinion in any case before him. His opinion may be based on a misunderstanding of the facts and may be wrong, but such error of judgment cannot be termed a "felony."

2. Mr. Kirchner alleges that Dr. C. M. Keillor, Chief Medical Adviser to the Canadian Pension Commission, utilized his office "to make the felony stick."

The Chief Medical Adviser would have acted very improperly had he suppressed or removed any material from the record.

3. Mr. Kirchner alleges that the Right Honourable Ian A. Mackenzie, Minister of Veterans Affairs, makes clear to the Pension Commissioners that they would lose their jobs if the Commissioners do not support the findings of Departmental medical men.

There is no evidence whatsoever in the file of Mr. Thom that the Minister took any such stand. The intention of the Pension Act is to establish a Commission to adjudicate upon pension claims which shall be absolutely free from any influence political or otherwise.

4. Mr. Kirchner alleges that the Canadian Pension Commission completely ignored the Appeal Board's instruction of January 9, 1945, and that the decision "was artificially delayed one year and eight months."

There is some justification for complaint as to the delay but the record shows that the commission was trying to obtain additional specialist's evidence which it thought necessary. There is nothing in the record to support the allegation that the commission ignored the remarks of the Appeal Board.

APPENDIX "D"

List of cases concerning which Mr. Kirchner made representations.

BARLOW, J. R., 103003

BARTLETT, John, 153662

BARWIS, George C. J., R-204971

*BELTZ, J. S., H. 6417, Ex P.O.W.

BENNETT, Ambrose C., 490518

BOE, Robert M., K.65827

BROCKBANK, James, 1015425

BURRAGE, J. A. H. Lieut.

*CAMPBELL, Lowell T., R.160565

- CARTER, Jas. M., 435669
CLUSE, Leonard John, K.68966, 1257602
*CONNORTON, Frank W., V.52017
COPPIN, Harry, 11340
*CROWHURST, A. B. W., 954
CURZON, Arthur, 69186
DEL MONACO, Bernard, 152910 (formerly Bernard BOWDEN)
DENNETT, Percy, 303637
DICK, Joseph, 703025
DICK, Thomas, 331758
EWAN, A. L., K-21133
FENNELL, Homer R., 2497773
FORRESTER, Thomas, K.602099
GARTRELL, Edward, 437597
GARVEY, Edward E., 26079
GIBSON, Geo. E., K.10772
GRANT, Richard J., E-30275
GRAY, J. J., 645451
HANSON, Charles P., 3331
HARVEY, S. H., 424891
HASSING, A. T., M-29728
HIGGINS, Alex., K.48328
HILL, Constance I., W.11785
HUMPHREYS, L. C., 252322
HUTTON, Robert E., R.58324
*JACOBSON, T. O., L.50094
*KERR, Harry, 2383221, 152508
KING, John 116782
LOCKHART, Geo. W., K.46231
MacDONALD, Donald J., K.93617, 436738
MacDONALD, Roy, 8474
MacDOUGALL, Lorne W., Lieut.
*MAXWELL, E. J., R.51564
McCLELLAN, Sholto, D.77732
McCONNELL, S. H., 114609
*MILLS, John H., K.50543
PARKES, Wm., Henry Morgan 760702
*PERFITT, Arthur K-75736
PRITZKER, S., 3232730
RANKIN, John D., 696031
RIX, D., H.6235, Ex P.O.W.
RODGERS, Wm. A., H.6769
ROSS, Alexander J., K.89832
ROSS, R. H., 338884
SAUVE, Dennis H., K.37496
SHAYLER, Wm. A., H.6794
SIBBALD, J. R., 524115

STILL, George N., 422531
 SYKES, Fred, 1012753
 THOM, John, 86684
 VILLENEUVE, Arthur, 26504
 *WALSH, Stanley L., V.86097
 WILCOX, Sydney, 56055
 WOOD, F. W., V.31132

*Cases marked thus * are those in respect of which evidence was taken at Vancouver.

LIST OF WITNESSES

APPENDIX "E"

BAIRD, Dr. Murray—Director of Medicine, Vancouver District.
 BELTZ, J. S. H.6417—Veteran.
 BOUCHER, Dr. H. H.—Part-time Consultant in Orthopaedics, Shaughnessy Hospital.
 CONNORTON, Frank W.—V.52017—Veteran.
 CROWHURST, A. B. W.—954—Veteran.
 DANCEY, Dr. T. E.—Adviser in Psychiatry to Director General of Treatment Services and Director of Psychiatry, Montreal District.
 GUNN, Dr. Lynn—Superintendent of Shaughnessy Hospital.
 HUTTON, Dr. G. H.—Director of psychiatry, Vancouver District.
 JACOBSON, T. O.—L.50094—Veteran.
 KEILLOR, Dr. C. M.—Commissioner, Canadian Pension Commission (formerly Chief Medical Adviser to Commission).
 KIRCHNER, Walter H., M.C., D.C.M.—Secretary, Canadian Combat Veterans Association Inc., Vancouver, B.C.
 LAING, Dr. J. W.—Pension Medical Examiner, Vancouver District.
 LEHMANN, Dr. P. O.—Neuro-surgeon, Vancouver District.
 MACDONALD, Miss M. A. M.—Assistant Psychologist, Shaughnessy Hospital.
 MARGETTS, Dr. E. L.—Psychiatrist, Shaughnessy Hospital.
 MAXWELL, E. J.—51564—Veteran.
 MCCLELLAN, Sholto D.—77732—Veteran.
 MELVILLE, J. L., C.B.E., M.C., E.D.—Chairman, Canadian Pension Commission.
 PERFITT, Arthur—K.75736—Veteran.
 ROBERTSON, Dr. Roche—Director of Surgery, Vancouver District.
 THOM, John—86684—Veteran.
 TURNBULL, Dr. Frank—Neurosurgeon, Part-time Consultant.
 WARNER, Dr. W. P., C.B.E.—Director-general of Treatment Services.

APPENDIX "F"

OTTAWA, Ontario,
 15 January, 1948.

To: The Royal Commission investigating complaints made by Walter H. Kirchner, Esq., M.C., D.C.M., Secretary, Canadian Combat Veterans Association Inc., Vancouver, B.C., regarding pension and treatment services of the Department of Veterans Affairs.

On the occasion of my appearance before the Royal Commission investigating the charges of Walter H. Kirchner regarding pensions and treatment affairs, the Chairman, the Honourable James J. McCann, M.P., asked me to submit a short outline of the organization and work of the Treatment

Services, with particular reference to these aspects in Vancouver where the Kirchner charges were made. The following is respectfully submitted.

Since the Commission is personally inspecting the facilities at Shaughnessy Hospital, Vancouver, it will obviously be unnecessary to describe the excellent facilities available for modern treatment in that institution. Shaughnessy Hospital is an 1,100 bed hospital, very adequately equipped for diagnosis and treatment by modern methods. The auxiliary services such as the operating theatres, the diagnostic laboratory, the x-ray department, physical medicine including physiotherapy, occupational therapy and remedial physical training, are adequate.

The few cases in which Mr. Kirchner complains about improper treatment have largely to do with cases of low back pain and the case rendered Hong Kong Prisoners-of-War. A percentage of the cases of low back pain were diagnosed "protruded intervertebral disc" and operative procedures undertaken which resulted, in some cases cited, in indifferent therapeutic results. The staff chiefly concerned with the diagnosis and treatment of this difficult type of case are neurologists, psychiatrists and their fact-finding helpers, psychologists. The staff which had to do with the handling of the Hong Kong Prisoners-of-War were the general medical and surgical staffs and the neuropsychiatric staff.

The following is a brief summary of the qualifications of the personnel employed at Shaughnessy Hospital in the above specialities:

Neurosurgery

Dr. Frank Turnbull, head of the Department of Neurosurgery, is one of Canada's outstanding neurosurgeons who received long training under Dr. Kenneth MacKenzie, Professor of Neurosurgery at the University of Toronto. I feel quite certain that if the medical men of British Columbia were asked who the most competent and outstanding neurosurgeon in their province was, Dr. Turnbull would be named by an extremely large percent. Dr. Turnbull is in charge of and responsible for the operations that took place on these intervertebral discs. He is assisted by a young neurosurgeon, Dr. Lehman, who has also had extensive training under Dr. Penfield in Montreal and who works under the direction of Dr. Turnbull. Both these men are very competent neurosurgeons.

Neurology and Psychiatry

The neuropsychiatric work done at Shaughnessy is under the direction of Dr. Hutton who is a specialist certified in psychiatry by the Royal College of Physicians and Surgeons of Canada, and, in my opinion, a sound psychiatrist.

Neurology is under the direction of Dr. Gould who is also a certified specialist and who did an excellent job in the R.C.A.M.C. and was trained in Queen's Square.

Dr. Gundry, also a certified specialist in psychiatry, is another member of the staff, and Dr. Margetts, a younger man who is studying for his certification by the Royal College.

I believe that these neurologists and psychiatrists are as well trained and competent as any practising in Vancouver.

By the above, I think one can conclude that neurosurgeons, neurologists and psychiatrists who had to do with the diagnosis and treatment of these cases of protruded intervertebral discs are unquestionably competent and represent a highly qualified group of specialists.

It is understood by all who have had to deal with cases of low back pain that the diagnosis is difficult and no matter what therapeutics are employed, the results are not extremely satisfactory. One expects failures whether conservative or radical methods of treatment are employed.

The handling of certain Hong Kong Prisoners-of-War is also questioned by Mr. Kirchner. These would be handled by the neuropsychiatrists referred to above and by the general medical and surgical staff of Shaughnessy.

Surgical Service

The Surgical Service of Shaughnessy Hospital is under the direction of Dr. Rooke Robertson, a fellow of the Royal College of Surgeons and one of the ablest surgeons in Vancouver. He is assisted by the Chief Consultant, Dr. Roy Huggard, also a fellow of the Royal College and an extremely able surgeon, chiefly interested in gastro-intestinal surgery.

Medical Service

The Director of Medicine for Shaughnessy Hospital is Dr. Murray Baird, a well qualified, sound internist who is a member of the Royal College of Physicians. He is assisted by Dr. Bagnall, a fellow of the Royal College of Physicians of Canada, and Dr. Simpson, a certified specialist in internal medicine. These three internists are, in my opinion, amongst the most competent internists in Vancouver.

Medicine not being an exact science, one must and does expect failures in diagnosis and therapy. From March 31, 1945, until October 31, 1947, this Department gave over three million outpatient treatments, and had on its strength during this period an average of 5,000 outpatients constantly. In addition to this, 280,285 patients were hospitalized by the Department. During the same period we had an average daily inpatient population of 11,299, 8,509 of whom were in our own institutions. It is impossible for any medical service of this magnitude to not have certain diagnostic and therapeutic failures. It is my opinion that the number of these occurring while being treated by this Department is a minimum for any medical service anywhere.

The ability to obtain the services of such highly qualified doctors has been brought about through the Government making it possible for us to employ these men on the half day fee basis. By this method we employ the leading consultants in the non-University town such as Vancouver, and where our hospital is situated in a University centre, we employ teachers in the Medical School of the University. These highly qualified doctors are not full time general duty civil servant doctors, but are stimulated to be of the high calibre which they are through their work as consultants or teaching in the University. It should be emphasized that these men are actually responsible for all the medicine, surgery, etc. which goes on in hospitals such as Shaughnessy, that they actually do the work themselves. They are assisted by internes and residents, young doctors usually with one to five years' postgraduate work who are specializing and writing their fellowship examinations for the Royal College. These young internes and residents are a tremendous asset in keeping medical practice from stagnating. They bring energy and new ideas to the hospital. They are purely temporary employees, not permanent employees. It is considered that by the system outlined in this paragraph that medical treatment can be given which is of a very high order.

In conclusion, may I state that in my opinion the physical facilities at Shaughnessy Hospital are very adequate for good treatment. May I also emphatically state that the staff are of a very high professional order and that veterans receiving treatment in this institution receive treatment of a character that cannot be bettered in the city of Vancouver.

W. P. WARNER, M.B.

Director General of Treatment Services.

APPENDIX "B"

(Telegrams)

OTTAWA, March 22, 1948.

Col. E. A. BAKER,
Chairman, National Council of Veterans Associations,
Toronto.

Many thanks your wire stop You may be gratified to know committee passed unanimously today recommendation that minimum maximum helplessness allowances be increased to four hundred eighty and fourteen hundred respectively.

Walter A. TUCKER.

TORONTO, March 22, 1948.

Walter TUCKER,
Chairman, Veterans Committee,
House of Commons,
Ottawa.

All members of the National Council of Veterans Association deputation greatly appreciate the decision of your committee and the minister to give the fullest possible consideration to amendments to the Pension Act even though this may mean delaying action by the House of Commons until after Easter stop We earnestly hope that the major recommendations of the council may receive favourable consideration since the effect will be most important to those whose needs are urgent stop Your considerate interest is appreciated.

E. A. BAKER,
*Chairman, National Council of
Veterans Association.*

APPENDIX "C"

DEPUTY MINISTER
OF LABOUR
CANADA

OTTAWA, March 20, 1948.

Mr. W. S. Woods, C.M.G., LL.D.,
Deputy Minister,
Department of Veterans Affairs,
Daly Building,
Ottawa, Ontario.

Attention: Mr. E. J. Rider

Dear Mr. Woods: As requested by Mr. Rider I am enclosing a table of index numbers of wage rates for unskilled factory labour, male.

I understand that this was requested by a member of the House of Commons Committee on veterans affairs.

Yours very truly,

(sgd) A. MacNAMARA.

INDEX NUMBERS OF WAGE RATES FOR UNSKILLED FACTORY LABOUR, MALE
(Rates in 1939=100)

Year	Index	Year	Index
1911.....	47.1	1929.....	93.2
1912.....	48.7	1930.....	93.4
1913.....	49.7	1931.....	91.0
1914.....	50.1	1932.....	86.2
1915.....	50.1	1933.....	83.5
1916.....	54.8	1934.....	84.8
1917.....	64.1	1935.....	86.9
1918.....	75.6	1936.....	89.2
1919.....	89.4	1937.....	97.1
1920.....	106.9	1938.....	99.2
1921.....	94.6	1939.....	100.0
1922.....	90.8	1940.....	102.4
1923.....	90.2	1941.....	113.2
1924.....	90.9	1942.....	127.1
1925.....	92.4	1943.....	143.4
1926.....	93.0	1944.....	148.0
1927.....	93.2	1945.....	150.2
1928.....	92.9	1946.....	165.9

RESEARCH AND STATISTICS BRANCH,
DEPARTMENT OF LABOUR,
OTTAWA, March 19, 1948.

Gov. Doc
Can
Com
V

Canada. Veterans Affairs (Special Committee)
on 1947/48

(SESSION 1947-48
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 7

FRIDAY, APRIL 16, 1948

WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman,
Canadian Pension Commission;

Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1948

MINUTES OF PROCEEDINGS

FRIDAY, April 16, 1948.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blanchette, Brooks, Cruickshank, Dickey, Emmerson, Gauthier (*Portneuf*), Gregg, Green, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Marshall, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Skey, Viau, White (*Hastings-Peterborough*), Winkler.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs.

Mr. Melville was recalled, furnished the Committee with information in respect to proposed increases in pension rates, and was questioned.

The Chairman tabled a comparative statement of the basic annual pensions in Canada and the United States which, on motion of Mr. Herridge, was ordered to be printed as Exhibit "A" to this day's minutes of proceedings and evidence.

On motion of Mr. Green,

Resolved: That the committee recommend that, upon increases in disability pension rates going into effect, the Canadian Pension Commission review each award in payment under Section 21 of the Pension Act without the necessity of application by the pensioner.

At 1 o'clock p.m. the committee adjourned until Tuesday, April 20, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

APRIL 16, 1948.

The Special Committee on Veterans Affairs met this day at 11.00 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, we have a quorum.

There are one or two matters which I would like to mention before we get properly under way. When the committee rose yesterday from our regular session it was the expectation of the committee that we would have with us again this morning Mr. Marshall, and his assistants, who would bring answers to the questions which we had put yesterday morning. Mr. Marshall telephoned me about an hour ago and pointed out that his staff had been working on the matter but that the committee had asked them to do no inconsiderable task and that it would be impossible to do justice to those answers before Monday morning. I pointed out that the committee would not meet normally until Tuesday and I took the liberty, after speaking with some members of the steering committee, to advise Mr. Marshall that we would proceed with the other parts of our discussions and we would obtain his answers on Tuesday. Mr. Marshall indicated that he was having prepared a chart or a table, I do not know which, but he assured me it will clarify the other discussions which we have had.

Some hon. MEMBERS: Hear, hear.

The CHAIRMAN: I am, like the rest of you hopeful.

With respect to the discussions yesterday afternoon, I had a telephone call this morning from the Veterans' Allowance Board and I was asked to correct an answer given yesterday. A question was asked as to how many war widows were affected, automatically, by the proposed increase and the witness said at least 65 per cent. The amendment this morning is that he should have said the figure was in excess of 90 per cent.

Last night, early in the evening, Mr. Marshall's department telephoned to say that a correction should be made on the table which was handed to the members of the committee yesterday. The last item, namely the official cost-of-living index for 1947 is shown as 104.9. That is an error and the figure should read 107.1. I mention that correction in case any of the members of the committee are framing questions with respect to the table. In order to avoid delay in the publication of our minutes which will be important for our meetings next week, the clerk caused an "erratum" to be inserted in the proceedings, showing the correction in relation to the pages.

We have with us this morning the deputy minister and his assistants. There were some questions asked by Mr. McKay, by myself, and by some other members, and the pensions commissioner tells me he is now prepared to answer those questions.

Brigadier J. L. Melville, Chairman, Canadian Pension Commission, called:

The WITNESS: Mr. Chairman, I am very glad to have the opportunity of answering these questions and I will deal first with the matter raised by

Mr. McKay at the meeting yesterday afternoon. His question was with regard to the number of awards in payment under section 21 of the Pension Act, and whether it was possible to give a breakdown as to how many widows and others are affected. The information as of last night is to this effect. Pensions in force under section 21 of the Act as of the 15th of April are:

Ex-service men World War I	75
Ex-service men World War II	1
Total	76
Widows World War I	290
Widows World War II	8
Total	298
Children, World War I	39
Children, World War II	0
Total	39
Mothers, World War I	12
Mothers, World War II	0
Fathers, World War I	2
Fathers, World War II	0
Other relatives, brothers, sisters, and so on, World War I	27
Other relatives, brothers, sisters, and so on, World War II	1
The cumulative total for World War I	445
The cumulative total for World War II	10
Grand Total	455

During the course of the discussion yesterday morning an endeavour was made to arrive at the average wage, or take home pay of the working man and certain figures were quoted. I will now give you some idea as to what would apply in the case of a totally disabled veteran. A pensioner is entitled to additional pension for his wife and children and the average family unit is a man, wife, and two children. If that pensioner were totally disabled he would receive as his 100 per cent personal pension on the scale provided in Bill 126, \$1,044 per year, and under the Act as it is today he would receive \$900. He would receive additional pension for his wife of \$360, on the new scale, as opposed to \$300 on the old scale. He would receive for the first child \$216 as compared with \$180; for the second child \$168 as compared with \$144. That means that a total disability pensioner with a wife and two children would receive, in accordance with the scale set up in Bill 126, a total of \$1,788 per year as compared with \$1,524 under the Pension Act as it exists today.

That, gentlemen, is an increase over the present scale of 17½ per cent. He would have \$34.40 per week from pension and, in that connection I would only refer briefly to the evidence given by Mr. Dunlop before this committee with respect to the large number of seriously disabled pensioners who are employed. For your guidance I might say a 10 per cent pensioner would receive exactly 1/10 of the figures I have given, in other words \$178.80 per year.

Mr. BROOKS: That would apply to every percentage?

The WITNESS: That is so, Colonel Brooks. Now in considering the question, I think the commission should point out a pensioner is entitled to additional pension for a child or children. He is entitled to additional pension for a girl

until she reaches the age of 17 years, and for a boy until he reaches the age of 16 years. There is this added provision in the Act that if such child reaches the statutory age of 16, or 17 as the case may be, the pension may be continued on behalf of that child provided he or she is satisfactory pursuing higher education. That pension may be continued until the child reaches the age of 21. These awards beyond the statutory ages of 16 and 17 are reviewed by the commission each year. We receive application by the parents, supported by the reports of the principal of the school, and we are very happy to have that provision in the Act because it enables us to carry on and continue the award of pension. There is one other feature I should bring to your attention. When the death of a pensioner is attributable to service or to his pensionable disability, the widow and children receive an award of pension as of right. There is an added provision that if the pension in payment is 50 per cent or more at the time of death, the widow and children are pensionable irrespective of the cause of death.

Now, Mr. Chairman, with your permission and that of the committee, it does seem to me that it might be advisable, in view of the representations which have been made, that I should deal with them in the order of presentation: first, the Canadian Legion; second the National Council of Veterans; third, the motion made by Mr. Herridge; and fourthly, the motion by Colonel Brooks. It will give the members of the committee some idea as to the liability that would be involved with respect to each of those recommendations. If it is your wish that I so proceed, I would be very pleased to give the information.

The CHAIRMAN: If you have the information you might proceed, Brigadier Melville.

Mr. BENTLEY: May I ask a question of Brigadier Melville?

The CHAIRMAN: Of course.

By Mr. Bentley:

Q. You just mentioned that children, when they reached the statutory age, if they are pursuing their studies satisfactorily, may be continued on pension until they are 21?—A. That is quite correct.

Q. Does that apply to all rates of pension which are payable, right down to the 5 per cent?—A. That is quite correct. It applies to all awards, any payment of additional pension being paid for children.

Mr. EMMERSON: May I ask a question there, Brigadier Melville? In the case of a child beyond the age of 16 or 17, if that child is incapable of looking after itself or if it is pursuing studies, is it still provided for?—A. Yes, that is also a very pertinent question, Mr. Emmerson. If a child reaches 21 years of age and is physically or mentally incapable, and has been so before 21, the commission may continue pension on behalf of that child provided the parents are without adequate resources.

Mr. HERRIDGE: May I ask a question before Brigadier Melville proceeds. I think it would be interesting to know the percentage of children under pension which takes advantage of those provisions of the act—I am speaking of those receiving pensions because of taking higher education.

The WITNESS: A very high percentage of them take advantage of that provision. It might be of interest for you to know, that, without any name being mentioned, two or three weeks ago a member of the House came to me to discuss a file. In the course of the discussion I found where a pension had been continued on behalf of a son whose father had been killed in World War I. The son reached the age of 16 years and the pension was continued on his behalf. Reports from the principal were wonderful, not only with respect to his scholastic standing but also his moral character. Each year the pension

was continued until he was 21. The son concerned is now a member of this House. I will get the details if you wish Mr. Herridge, but I can assure you there is a great number who take advantage of the provision regarding education.

Mr. QUELCH: When a pensioner dies, and his pension we will say was only 48 per cent, if his death is not due to war service the only help which his widow could receive would be under the War Veterans' Allowance Act.

The WITNESS: That is correct. The pension in payment must be 50 per cent or more if death was not attributable to service.

The first representations received by the committee were from the Canadian Legion of the British Empire Service League. Representation number 1 was "That all pensions awarded under the Pension Act be increased by 25 per cent, either by a revision of the present rate or as an addition by way of a cost of living bonus." The estimated immediate increase in annual liability to give effect to that recommendation is \$18,000,000. That figure is given as of the 1st of October 1947 and it is slightly higher today.

By Mr. Green:

Q. Is that figure over and above what Bill 126 would give?—A. No, the pension liability today is \$72,500,000. It is about 25 per cent of the liability at that time, the 1st of October 1947.

Q. What would be the liability under Bill 126?—A. The immediate increase in annual liability to implement the provisions contained in Bill 126 would be approximately \$12,000,000.

Mr. CRUICKSHANK: How many?

The WITNESS: \$12,000,000.

The CHAIRMAN: Leaving out the increase in helplessness allowance which is roughly another \$1,000,000?

The WITNESS: Yes.

Mr. BROOKS: The increase in helplessness allowance would be about three quarters of a million, is not that correct?

The WITNESS: I do not think the increase will amount to quite that much, Colonel Brooks. I think the figure given was overly generous.

Mr. BROOKS: What would be your figure?

Mr. BENTLEY: Could I ask—

The CHAIRMAN: Well the witness is attempting to verify the statement and I think he should finish with it, but I am in the hands of the committee.

The WITNESS: The increase for helplessness which has been approved raises the floor level from \$250 to \$480 and the ceiling from \$750 to \$1,400. The estimate made by the commission to give effect to that increase for all awards at present under payment is an immediate increase in annual liability of approximately \$350,000.

I have dealt with the first recommendation of the Canadian Legion which was to the effect that a 25 per cent over-all increase be awarded and that immediate increase would amount to \$18,000,000.

Mr. CRUICKSHANK: It is only \$6,000,000 more than the present proposal.

The CHAIRMAN: \$6,000,000 more than the bill proposes.

Mr. CRUICKSHANK: Yes, and we could take that out of the surplus.

The WITNESS: The second recommendation was "That maximum helplessness allowance be increased to \$1,400 per annum." This recommendation has been accepted by the government and I have already announced the estimate of an immediate increase in annual liability of \$350,000. Recommendation

No. 2(b) of the Legion is "That anomalies resulting from differentiation of rank be removed." The estimated immediate increase in annual liability is \$25,000. Now gentlemen, it has been obvious that some more information in this matter of helplessness allowance would be very desirable, and I am sure it would be acceptable to the committee. I have therefore prepared a statement which I have ready for distribution. It contains the present provisions, that have been in existence from 1919 to the present date and still in effect. The table shows the maximum award, the total disability pension and the maximum award of helplessness allowance for each of the higher ranking officers. The second item shows the proposal in Bill 126 and is made on exactly the same basis—The proposed new rate of the basic scale of pension and the helplessness allowance at the old rate. Item No. 3 consists of the committee's recommendations as of the 22nd of March. That was \$1,400 and the section gives the information on the same basis and principles as are contained in the Pension Act today. Item No. 4 shows the basic rate of pension as provided in Bill 126 and the maximum helplessness allowance payable at \$1,400 irrespective of rank. This document is available for distribution, Mr. Chairman, and I trust that it will be of assistance to the members of the committee.

The third recommendation of the Canadian Legion was "Stabilization of World War I pensions." The policy of stabilization has been in effect since 1936 and I will be only too pleased to supply further details in regard to that matter when the discussion takes place. I would refer the members of the committee to a statement which I supplied and which was incorporated as an appendix in the minutes of one of the meetings. The statement has regard to the details of World War I pensions—those continued without review, those reviewed and continued at the same rate, those reviewed and decreased, those reviewed and increased.

Mr. GREEN: You said the stabilization policy has been effect since 1936. It has not been one of absolute stabilization?

The WITNESS: I consider that it has been one of stabilization and I would give any details with regard to that which might be desired.

Mr. SKEY: If you reduce pensions how can you argue they have been stabilized?

The WITNESS: The commission is governed by the act and the act says pensions shall be reviewed from time to time and pensions paid in accordance with the degree of disability found from time to time, on medical re-examination.

Mr. SKEY: That is not stabilization in the way which was meant by the Legion. The act is stabilized but the pension is not stabilized.

The CHAIRMAN: Perhaps it would be helpful, since the point has been raised, if you would give the figures as to the actual number of assessments for World War I—those which are frozen and those which have been changed? Have you got that information?

The WITNESS: Yes I have.

The CHAIRMAN: We might as well have that information on the record because questions are bound to arise.

Mr. GREEN: Is that the statement which appears on page 86 of the proceedings?

The WITNESS: I would think so. The statement is headed "Medical Examinations of Disability Pensioners." This statement is for the calendar year 1947, and I am dealing only with World War I pensions. Pensions increased, 2,274; pensions decreased, 147; no change on re-examination, 2,913; those are cases where there is no change after the re-examination. A man might either have been discharged from a treatment centre of the department or he might

have come in on a complaint and pension was continued at the same rate. Continued without change—64,402. Those pensioners were not called in nor were their pensions disturbed. Pensions in force at the 31st of December 1947 were 69,736. The figures I have quoted make up that total. During that very same period, the calendar year 1947, 191 new awards of pension were made for claims arising out of World War I. 88 pensions were re-instated. Those may have been cases where a man had a final payment of less than 5 per cent, or the disability may have been negligible or may have disappeared, but it re-appeared and pension was immediately re-instated. Total new awards for the year were 247.

Mr. QUELCH: Would you break that figure of 147 down and explain, generally speaking, the reasons for reduction of pensions? Was it a result of hospitalization with an increase in pension and later a decrease?

The WITNESS: No. There is the requirement in the Pension Act. First of all with regard to tubercular patients. A man who suffers from active pulmonary tuberculosis is entitled to a pension award at the rate of 100 per cent. That award cannot be reduced for two years and the pensioner is re-examined at the end of the second year. That examination is by a chest specialist, he is x-rayed, and if those reports denote a material improvement in his condition, and he has benefited to the extent of the full award of that pension over the two-year period his award may be reduced. If he has materially benefited with respect to his health, the pension may be reduced but it cannot be reduced at that time below 80 per cent. The pensioner may be called for re-examination within a period of not less than 6 months and the pension may again be reduced if his physical condition is improved, but at no time can his pension be reduced below 50 per cent if he has entitlement for active pulmonary tuberculosis. In the event of his death from any cause, his widow would be entitled to a pension, as payment was in effect at 50 per cent or more.

Mr. BROOKS: Would you cover the cases in World War II?

The WITNESS: I was just coming to them. We have a number of pensioners about whom I have spoken before who may have an exacerbation of their condition. They are admitted to hospital and when discharged the pension is immediately re-instated at 100 per cent. We are interested on that patient's behalf. At the end of two years we call him in for re-examination, not necessarily with a desire to cut his pension. That is furthest removed from our mind. The whole desire and purpose behind calling him in is so that he will be re-examined by the specialist and we can see what progress he is making, if he really is carrying out the recommendations with regard to care, rest, and so on, which he should exercise. Within the 147 reduced, which is in the course of a year, which is 12 in one month, less than 1 in each district office throughout the dominion, there are quite a number who fall within that category. There are others. There may be a man with a hernia. There may be some of the 147 who are men who were granted entitlement possibly in the year 1946 or even in 1947 claiming for hernia. The commission has reviewed the documentation and has found—this is 1947; remember that—in going back to the service documentation this man had a complaint regarding hernia on service. If he is granted entitlement that condition may reach the stage where surgical interference is necessary. If surgical interference is carried out and the disability is removed then the pension is no longer payable.

By Mr. Green:

Q. Your cases are not all so clear as that. I had one case—I can show you the file afterwards—where this man's disability was diagnosed for years as one thing. Finally he went to a civilian doctor and the civilian doctor found out it was entirely something else and operated on him at a cost to the man of

several hundred dollars. When I took it up with the commission and asked if there was not some way in which they could compensate him for this money he was out of pocket and arranged for him to go in and be re-examined he was re-examined, and not only did the commission give him no help whatever with his expenses but his pension was cut. I think that was in 1947. He was only getting a small pension. I think it was 15 per cent and it was cut to 10 per cent or something like that. That is the sort of thing that makes communists in Canada, and I think that to the veterans of the first war—

The CHAIRMAN: You mean corpses.

Mr. GREEN:—it is very unfair. There is another side of the picture, too. I am sure each one of us here hesitates to suggest that a man go in and be re-examined just for fear his pension may be cut. I always warn a man before I ask that he be re-examined. I always warn him there is a chance that his pension is going to be cut just as there is a chance that it is going to be increased. I do not think the veterans of the first war should have to get over that hurdle. I think it is time to cut out the business of reducing pensions.

By Mr. Pearkes:

Q. May I ask a question of Brigadier Melville as to under what circumstances a widow's pension is reduced, a widow of a World War I veteran? I have a letter—I have not got it here—which has just arrived in which it says that the pension has been reduced from \$40 to \$20 a month.—A. If the widow has an award of pension as of right, if she is a widow of a member of the forces, she would be entitled to an award of pension of \$60. She may be a mother whose son was killed in action and on whose behalf an award of pension is paid. She does not received a fixed amount, a statutory amount as of right, in the same manner as a widow of a member of the forces. She receives an award of pension provided she is in a dependent condition and is physically and mentally handicapped in some cases. There are certain requirements in the Act. If that widow has certain assets the commission must take that into consideration. She may have inherited a legacy. I do not know. It is very hard to deal with a case without the particulars but we must take those factors into consideration. The Act is mandatory in that regard. The commission shall pay such amount as is deemed necessary under the circumstances.

Mr. QUELCH: I wonder—

By Mr. Pearkes:

Q. To finish that, her financial circumstances must have changed before there would be any reduction made in her pension. Is that right?—A. Most decidedly. I make the most definite statement that the commission would never cut a pension in circumstances such as those had there not been a change in financial circumstances. A change in circumstances sometimes comes to light. It has not been revealed at the time of the initial award. That frequently happens.

By Mr. Quelch:

Q. I wonder if the witness could give us a brief resume of the circumstances in the Bowie case last year.

The CHAIRMAN: Mr. Quelch, I am quite sure that the witness can but Brigadier Melville is in the midst of giving us an appreciation of these various things. I wonder if the committee desires to get away from that. It is a part of the question of stabilization. I think it will come up eventually in the form of a motion for stabilization or a floor under World War I pensions. It is a question whether you want to discuss it twice. I am in the hands of the committee.

Mr. QUELCH: I only mention that case because it received a tremendous amount of adverse publicity.

The CHAIRMAN: I venture to suggest had there been no Bowie case most of us would not have questioned the stability of the matter. I think we have launched on an explanation which will take Mr. Melville some time. Do you think we might get on with that and then deal with these different matters? They will all have to be dealt with by resolution at some stage. Perhaps this is not the time.

The WITNESS: I would be very pleased at the time and will of this committee to give an explanation with regard to the tragic case of a veteran of World War I who had a very gallant record of service, and a medical officer who was outstanding on the staff of the Canadian Pension Commission.

Mr. SKEY: I was going to say that you probably guided the committee very wisely with your suggestion. However, we have clarified something in this short discussion which is that we are not much better than the United Nations. We have a definition of democracy there which is all-embracing, and we have certainly a requirement for a definition for stabilization here.

The CHAIRMAN: I suspect when the time comes we can all be satisfied. All right.

The WITNESS: Item 3 of the Legion brief was stabilization. Item 4 was elimination of the exceptions under section 11 (1-C). I would be very glad to supply the details when that item comes under discussion. I have no doubt whatsoever there will be discussion. Item 5 is that Schedule A be amended to provide that fractional assessment be determined on progressions of 5 per cent. All awards of pension of 5 per cent or more are assessed in multiples of 5 per cent. The commission has never used a lower degree than that, never at any time. Schedule A of the Pension Act shows the various classifications, 5, 10, 15, 20, 25, and it would be absurd for any medical officer to attempt to assess in these lower fractions except, I would say, where you get below 5 per cent. A man may have lost the tip of a finger or something like that, some minor disability, a very slight disability resulting from a gun shot wound, and we then may assess at 2, 3 or 4 per cent.

By Mr. Green:

Q. Brigadier Melville, you have missed the point entirely on that.—A. I am not finished, Mr. Green. I do not mean to be unfair or unkind in that remark, I assure you. I know the point very well. I may say the recommendation that has come forward in this connection from the Canadian Legion is one which was brought forward for consideration by the commission itself some years ago, but we are governed by what is in the Act. These fractions that are spoken of by the Canadian Legion result when a man has entitlement for a condition, and as an example we will take one where the total disability is assessed at 45 per cent. The pensioner has an entitlement for aggravation of $\frac{3}{5}$ ths of 45 which is 27. That is where you will arrive at these odd assessments of less than 5 per cent, these odd fractions. The Legion recommendation would call for an amendment to the Pension Act. I suggest, Mr. Chairman and gentlemen, that I could put forward for your information in clear form—because it is not very clear as it stands right now—just exactly what is in the Act today, what would be the result of the recommendation of the Legion. I may say we will try to estimate the immediate increase in annual liability to give effect to such a change. It is very difficult. The commission would say the minimum amount would be an immediate increase in annual liability of \$250,000.

Q. Do you get that figure on the basis that if the assessment works out at 27 per cent then the pension would be paid at 25 per cent?—A. Right.

Q. And if it works out at 28 per cent the pension would be paid at 30 per cent? You get the figures on that basis?—A. That is the basis of the Legion's recommendation; in other words, that it be to the nearest multiple of 5 instead

of as provided in the Pension Act today where 25, 26, 27, 28 and 29 per cent are paid at 25 per cent.

Q. Now they all go back to the lowest?—A. That is statutory. I have dealt with the five recommendations in the original brief which was presented to the committee by the dominion president of the Canadian Legion and will now deal with the recommendation of the National Council of Veteran Associations in Canada. The first one is that the term "war disability compensation" be substituted for the word "pension." That involves no financial liability, and I leave it to the members of the committee as to the practicability of adopting the suggestion.

(2) That the basic rate for 100 per cent disability be increased to a minimum of \$100 per month. The estimated immediate increase in annual liability would be \$12,222,570.

By Mr. Herridge:

Q. That is over bill 126?—A. No. In all these estimates I am giving the estimated immediate increase in annual liability over the pension Act as it exists today.

By Mr. Green:

Q. That is just about the same as bill 126?—A. No, because it does not take in all the other beneficiaries under the Act. That is entirely limited to disability.

Mr. BROOKS: That is just the single pensioner.

The CHAIRMAN: The pensioner himself.

By Mr. Bentley:

Q. Can you give us figures that would correspond to the \$18,000,000?—A. I will deal with each one. (3) That the wife's allowance be increased to \$35 per month. The estimated immediate increase in annual liability would be \$3,204,072.

(3-A). That the rates for children of war disabled be increased proportionately, that is, from \$15 to \$20 per month for the first child and similar increases affecting others. The estimated immediate increase in annual liability is \$1,171,426.

By Mr. Benidickson:

Q. What did you take it they meant when they said similar increases for other children?—A. \$15 to \$20, or a fifth, exactly the same basis to be used for the second, third and subsequent children. I beg your pardon. It is one-third.

(4). That the April 1, 1944, deadline for World War I be removed. The estimated immediate increase in annual liability is \$60,220. That, gentlemen, is for cases we know about, but if the deadline was removed entirely I leave it to your thoughts just exactly what is opened up in that regard.

By Mr. Quelch:

Q. The veterans are getting pretty old, are they not?—A. Never too old to marry. You had a grand representative crowd of non-pensioned widows here yesterday afternoon.

(5). That widow's pension be increased to \$80 per month. The estimated immediate increase in annual liability is \$5,066,400.

(6). That the allowance to children being supported by a widow be increased to orphan's rates. That is very clear. It is just the children of a pensionable widow. The estimated immediate increase in annual liability is \$1,937,364.

(7). That the helplessness allowance provision be increased to a minimum of \$1,200 per annum. An increase to \$1,400 has been approved, and I leave that out of this.

Mr. Woods: It is to a minimum, you say?

The WITNESS: I am quoting exactly what is contained in the brief from the National Council of Veterans.

Mr. Woods: The minimum has been increased to \$480, not \$1,400. That is the maximum.

The WITNESS: I understand the intention was the other figure, but that is as quoted in their brief.

(8). That subsection 2 of section 26 be eliminated, that is, that helplessness allowance be paid irrespective of rank. The estimated immediate increase in annual liability is \$25,000.

By Mr. Green:

Q. That is the same figure that you gave for the Legion recommendation?—

A. Correct. I am glad of that, but I did go back and check myself. The total estimated immediate increase in annual liability for the recommendations submitted by the National Council less item 7, which is the increase to \$1,400 for helplessness allowance—and I have not included that because it has been approved—is \$23,687,052. Does that answer your question, Mr. Bentley?

The next recommendation that was submitted to this committee was the motion by Mr. Herridge which was for an over-all increase of 25 per cent. That is the same as the recommendation of the Canadian Legion, and the estimated immediate increase in annual liability is \$18,000,000.

By Mr. Cruickshank:

Q. How much?—A. \$18,000,000. The fourth recommendation received by the commission was the motion of Colonel Brooks. He was dealing with schedule A of the Act, (1) that the basic rate be \$1,200 for captains and all ranks and ratings below. The estimated immediate increase in annual liability is \$12,222,570. (2) That the basic rate for additional pension for married members of the forces be \$400 per year. The estimated immediate increase in annual liability is \$2,670,060. (3) That the additional pension for children be, first child, \$240; second child, \$192 and each subsequent child, \$160. The estimated immediate increase in annual liability is \$1,171,426. The total estimated immediate increase in annual liability for the proposed amendments to schedule A of the Act would amount to \$16,064,056.

Then taking Schedule B of the Act, which is the schedule which provides for dependents, his first recommendation was (1) that the basic rate for widows of captains and below be \$960 per year. The estimated immediate increase in annual liability is \$5,066,400. (2) That the basic rate for a dependent parent of captains and below be \$960 per year. The estimated immediate increase in annual liability is \$2,238,095. (3) That the additional pension for children or dependent brothers or sisters be first child, \$240 per year, second child, \$228, and each subsequent child \$160. The estimated immediate increase in annual liability is \$817,148. (4) That orphan rates be double those in section 3. The estimated immediate increase in annual liability is \$40,592. The total for these suggested amendments to schedule B of the Act is \$8,162,235, and the sum total for schedules A and B would result in a total estimated immediate increase in annual liability of \$24,226,291 for Col. Brook's motion.

Mr. Chairman and gentlemen, it did seem to me that when you had those figures before you for those four recommendations that it would be advisable at the same time, for comparison, that you should have some idea as to the liability involved in what is contained in the draft bill before you for consideration, bill 126. In this committee we have been speaking about a 16 per cent increase, and you have no figures as to the actual amount, so in order that this submission may be complete, and include the recommendations that have reached the committee and the proposals contained in bill 126, I would give you the

following figures. The proposals in bill 126 provide (a) in the case of total disability the basic rate is increased from \$900 to \$1,044 per year, the additional pension for a wife from \$300 to \$360 per year, for the first child and from \$180 to \$216 per year, for the third and each subsequent child from \$120 to \$144 per year. (b) An increase in the basic scale for widows of from \$720 to \$840 per year. (c) An increase in the basic scale for a dependent from a maximum of \$720 to a maximum of \$840 per year. (d) An increase in the scale for the children of a widow corresponding to the rates I have already quoted for the children of a pensioner. (e) Double the rates of those I have already quoted for children for all orphan children. The estimated immediate increase in annual liability to provide for these alone amounts to \$11,769,885. In addition to that there are certain other provisions in bill 126 which involve liability. I will give more details when these sections come under consideration.

By Mr. Brooks:

Q. Those are the sections that would apply to some of the recommendations that were made by the Corps Association. You mentioned before it was about 17 per cent, and then on the basis of 16 per cent.—A. The actual increase in the basic scale of pension for a total disability pensioner is about 16½ per cent, but for the additional pension payable on behalf of a wife it is 20 per cent. The additional pension payable on behalf of a child is increased by 20 per cent, and that is why, Colonel Brooks, for the average family I took a man, a wife, and two children, the increase as provided in Bill 126 would provide for an actual percentage increase of 17½ per cent.

Mr. EMMERSON: I would like to ask Brigadier Melville if he could just further amplify the increases. The Ottawa newspaper the other day contained a statement of a comparison between the proposed new Canadian rates and the United States rates and it covered pensions of single pensioners, married pensioners, married pensioners with one child, married pensioners with two children, married pensioners with three children, and so on to married pensioners with six children. I would like to get a statement whereby I could see whether the comparative rates are correct. You gave the pension for a married man with two children.

The WITNESS: The situation in the United States is this: There is a basic rate of pension. The basic rate of pension is paid irrespective of rank. A man having a total disability receives \$1,656 per annum. He receives no additional pension for a wife or children. A single pensioner under the Canadian proposal, Bill 126, would get, as I have already stated \$1,044 per annum. If the pensioner is married the amount would be \$1,404; if the pensioner has one child the figure is \$1,620; two children \$1,788; three children \$1,932; four children \$2,076; five children \$2,220; and the total for a pensioner with a wife and six children on the new rates provided for in Bill 126 would be \$2,364.

The CHAIRMAN: On that point my predecessor in office arranged to have a comparison prepared. I have a copy of the comparison here for the use of the committee and the Canadian and American rates are set forth in it. Unfortunately there are not enough copies available for distribution to the committee but if it is the desire of the members I will have sufficient copies here on Tuesday.

Mr. EMMERSON: Brigadier Melville has given the Canadian figures but can he give the American rates. I would like to have those figures on the record.

The CHAIRMAN: My thought was that the table could be published later.

The WITNESS: The rate in the United States is \$1,656.

Mr. EMMERSON: There is nothing for children at all?

The WITNESS: No.

Mr. BROOKS: Have you the latest figures from the United States? Is there anything being done at the present time to increase the American rates of pension? We are comparing their rates today with rates which we have not yet set, and I was wondering if there was anything being done in Washington now to increase the rate.

The WITNESS: My information is to the effect that these rates have been received within the last three weeks from the United States and that they are absolutely up to date. They contain the last increase which was, I believe something like 20 per cent.

Mr. LENNARD: When was that increase made?

The WITNESS: It was made some little time ago but within the past year, I think.

The CHAIRMAN: It seems to me that while it would be advantageous to give copies of this statement to the members of the committee, it might be well for us if there was a motion to print this statement in our proceedings.

Mr. LENNARD: I so move.

The CHAIRMAN: Right—it has been moved in several places.

Mr. GREEN: Brigadier Melville, there was an increase in the British pension rates last year, was there not? I have here a notification from the British Ministry of Pensions which shows that a pensioner married or with a dependent, receiving a pension of £100 a year or less, receives an additional increase of 40 per cent of the pension. As the amount of pension received goes up the increase goes down. However, when the pension received goes down the 40 per cent increase is given.

Mr. HARRIS: Could we have the actual figures?

Mr. GREEN: The scale of increase is as follows:

Mr. BENIDICKSON: Are the increases shown in pounds, shillings and pence?

Mr. GREEN: I was giving you the percentage.

Pension of £100 a year or less, 40 per cent of the pension.

Pension between £100 and £133 6s 8d a year, £40 a year.

Pension between £133 6s 8d and £200 a year, 30 per cent of the pension.

Pension between £200 and £390 a year, £60 a year.

In other cases:

Pension of £75 a year or less, 40 per cent of the pension.

Pension between £75 and £100 a year, £30 a year.

Pension between £100 and £150 a year, 30 per cent of the pension.

Pension between £150 and £305 a year, £45 a year.

In certain cases, other pensions received by the pensioner are aggregated with the Army pension to fix the increase admissible on the latter.

The WITNESS: Now that the figures have been quoted by Mr. Green, may I make a general statement which would possibly clear the situation to some extent. There is a very generous provision in the Canadian Pension Act whereby any Canadian who served in the South African War, World War I, or World War II, who was domiciled in Canada prior to enlistment for service in that war and who serves with the forces of His Majesty, or in the forces of any of His Majesty's allies, is entitled to an award supplementing his pension up to Canadian rates. That award is given provided the veteran returns to Canada and it is given during his residence in Canada. On the whole our Canadian rates of pension are much more generous on behalf of disability cases and dependents.

Mr. GREEN: I am not questioning your latter statement at all, but I am bringing out the fact that the United Kingdom increased its rates of pension by 40 per cent in the case of the lower pensions and 30 per cent for the higher pensions, and I am asking if you have any information regarding those increases?

The WITNESS: I have the United Kingdom rates here. The basic rate of pension for total disability, if service connected, is £117 per annum, working out to approximately £402 per annum. I feel, however, Mr. Chairman, that for details with respect to awards payable by the British government on behalf of members who served with their forces that it would be advisable, and certainly more correct, if you were to obtain that information from the representative of the British Ministry of Pensions who is here in Ottawa. I do not care to quote British Ministry rates because I am not satisfied that all my information is accurate and up to date. There have been many amendments in the last year or two. They now provide for clothing allowance, for wives where the marriage took place after the appearance of the disability, and so on.

By Mr. Pearkes:

Q. With respect to the statement made by Brigadier Melville that a man who served in the South African War, or in the first war, or the second war in the Imperial forces, if domiciled in Canada prior to enlistment, is it not correct that he must be domiciled in Canada immediately prior to his enlistment? If my information is correct a man who was domiciled in Canada a year before the date of joining the forces in Great Britain would not get his pension increased to the Canadian rates, or would he?—A. Section 47 of the act reads: "The pensions which are now being paid by Great Britain for disabilities or deaths which occurred during the South African War to or in respect of members of the Canadian contingents which served in that war shall hereafter be supplemented during the continuance of the residence in Canada of the recipients of such pensions by such additional pensions as will make the total of the two pensions received by them equal to the pension that would have been awarded if they had been disabled or had died in the military service of Canada during the war."

Q. Well that is not an answer?—A. The whole point regarding the South African War is whether the pensioner served with the Canadian contingents.

Q. Well you did not say that five minutes ago. You said if they served with the Imperial forces they would have received the Canadian rates provided they were domiciled in Canada before enlistment and my question is with respect to whether they must have been domiciled in Canada immediately before enlistment?—A. With respect to the South African War the requirements are that pensioners must have served with one of the Canadian contingents and have been awarded a pension by the British government.

Q. Surely that is not what you said before?—A. Well I must have expressed myself wrongly and I thank you for correcting me, General Pearkes.

Mr. BROOKS: I would like to see whether we can make a comparison between Canadian and American rates. I realize it is very difficult to compare pension rates for different countries but I have here a booklet entitled "Benefits for World War II Veterans" issued from Washington and with respect to pensions it says "The amount of compensation depends on the extent of your disability. This is called the 'degree of disability'. It is decided by a Rating Board in accordance with established schedules. This board 'rates' your disability in percentages, from 0 to 100 per cent. You get \$13.80 a month for each 10 per cent of disability but no compensation is paid for disabilities rated at less than 10 per cent in degree."

For the loss or loss of use of limbs, blindness, and certain other disabilities you may get a 'statutory award'. These are fixed monthly payments granted as compensation or in addition to our compensation." In other words if a veteran were getting 100 per cent he would receive \$138.00 a month and, if he had lost a limb or suffered from blindness or some other disability, he would get what is known as a statutory award. In the Manual of the Privileges, Rights and Benefits there is also something provided for those who served in the armed

forces of the United States. I obtained this copy from Washington and on page 60, speaking of the \$138 a month it says "These rates range from \$13.80 to \$138 per month, with special rates or allowances for specific disabilities ranging as high as \$360 per month." I think that gives us a better picture of what is being paid in the United States. I might also say a man who has lost one or both of his legs is covered by a provision made for an automobile. He receives a grant up to \$1,600 for an automobile, and there are other advantages. I know that it is very difficult to compare rates in different countries but I think that what I have read gives a better picture of what is done in the United States.

Mr. CRUICKSHANK: What is the first book from which you quoted?

Mr. BROOKS: It is similar to our little handbook.

Mr. CRUICKSHANK: Yes, and we issued a lot of those things which did not mean anything at all.

Mr. BROOKS: I do not know these things myself, but I do not think it is fair to say the government issued a lot of things which did not mean anything. The larger book I have here is called "Manual of the Privileges, Rights, and Benefits, provided for persons who served in the armed forces in the United States during World War I, World War II, or peacetime (after April 20, 1898), and those dependent upon them, with special reference to those benefits, rights and privileges administered by the veterans' administration." This booklet was issued by the United States government printing office, Washington, 1946.

The CHAIRMAN: That is what is known as the G.I. Bill of Rights.

Mr. CRUICKSHANK: That is different from the first booklet from which you read?

Mr. BAKER: Did you say it includes peacetime?

Mr. BROOKS: Yes.

The WITNESS: Colonel Brooks is perfectly correct. In the United States there are what are known as special assessments and those special assessments deal with persons who are very, very seriously and grievously disabled. They do not have a helplessness allowance such as we have in Canada. I have some of the figures for some of those groups if the committee would like to have them. The groups are total deafness with total blindness; anatomical loss—both eyes; loss of use of both hands and both feet or one hand and one foot; blindness in both eyes with 5/200 visual acuity or less; permanently bedridden so as to be helpless and so as to be in need of regular attendance, the monthly compensation is \$240. Veterans in those classes are removed from the \$1,656 bracket and get the assessment which I have stated is \$240 a month.

Mr. BROOKS: Is that in addition to the \$138?

The WITNESS: No, those groups are removed from the \$1,656 paid for general total disability and instead they receive a special assessment or special rate.

Mr. HARRIS: Could you make a brief comparison between what we class as a 100 per cent disability and what they class as a 100 per cent disability with regard to the \$1,656?

The WITNESS: Generally speaking, I would consider the assessment of total disability to be in fairly general agreement in all countries which have been exposed to or which have suffered from war. Our own table of disabilities was arrived at through consultation with all the available experts in compensation law for the war disabled, and we keep in touch with what is done in other countries. Generally speaking I would say there is uniformity in the assessment.

By Mr. Green:

Q. Is that American provision something like what was requested by Colonel Eddy Baker at page 48 of the committee's proceedings, where he says "If I might

be so bold as to suggest, what we had at the back of our minds was this. When you have a straight addition of disability exceeding 100 per cent that the excess over the 100 per cent should be covered by some super disability compensation at the rate of 50 per cent of the disability assessed by ordinary means over the 100 per cent level. That would mean that for a 200 per cent disability man his net addition comes off of that and he would receive 150 per cent plus his approved quota of the helplessness allowance, either partially or fully, as warranted, and leave the allocation of that to the discretion of the Canadian Pension Commission; because we realize, as they do, and as you must do, that no two disabilities are exactly the same; they vary all over the lot, and we prefer to see the real hardship cases taken care of."

That, I would presume, would correspond with the American assessment for specific disability?—A. No, I would say that it definitely does not compare. The Canadian Pension Act has provision for those totally disabled—the helplessness allowance in addition to the pension, but in the United States it is dealt with as a separate matter. They provide a special assessment for a few groups. The group to which Colonel Baker referred did not cover those who were helpless and it does not bear the same comparison.

Q. I would like to know what they mean in the United States by a pension for specific disabilities? The amount may be as high as \$360 a month? In other words there seems to be a special provision for cases such as the one Colonel Baker referred to?—A. No, it is not the same. There are only five or six classifications in the United States which receive those special assessments and those are covered by the Canadian legislation. They receive assistance but in another form altogether, by way of the helplessness allowance. Colonel Baker was referring to cases of men who have been seriously disabled. They might have suffered the loss of an arm above the elbow—an 80 per cent disability; the loss of one eye is assessed at 40 per cent disability; the sum total of the two disabilities would be 120 per cent. In all compensation consideration is given to the individual and the separate disabilities. The man who has lost an arm and an eye, while he would be awarded a total disability pension, would not be awarded beyond the total 100 per cent rate.

The CHAIRMAN: I think that is what Colonel Baker had in mind. He gave a specific example of a case where the separate disability aggregated as high as 160 per cent of a total disability.

Mr. GREEN: The figure is as high as 260 per cent.

The WITNESS: For the purpose of my illustration 160 per cent will do. I think the committee understood that his suggestion was that in the case of a man whose total disability amounted to 160 per cent the government, through the committee, instead of saying that all the man may receive is 100 per cent, should consider paying him 50 per cent of the amount over 100 per cent or a total of 130 per cent.

I am sorry that we have not sufficient of these tables to pass around to everyone. The document defines the specific groups which the United States government has seen fit to remove from the general category and for whom special provision is made. The classes and figures are: total deafness with total blindness, \$4,320; anatomical loss—both eyes, \$3,816; loss of two extremities—so near shoulder or hip as to prevent use of prosthetic appliances \$3,816 (that is practically a hip or shoulder amputation); blindness, both eyes, where regular aid and attendance is required; and loss or loss of use of two extremities at level with complications preventing natural elbow or knee action with prosthesis in place, \$3,384. Those two groups are joined together. Loss of both eyes only, \$2,880; loss or loss of use of both hands, both feet or one hand and one foot, \$2,880. Those cases are lifted out of the 100 per cent category and disposed of as separate groups. The rest of the pensioners,

according to the best information we have, are dealt with under the blanket amount of \$1,656 for total disability.

Colonel Baker's idea would be to meet the cases of the types lifted out of the general category in the United States.

The CHAIRMAN: What we would call the multiple assessments.

Mr. GREEN: Yes.

The CHAIRMAN: I am sure, Mr. Green, that Colonel Baker did not relate his suggestion to helplessness allowance at all. Anything a pensioner would get as helplessness allowance would be in addition to some upward revision.

The WITNESS: I might add, if it would help the committee, that I looked into one of the cases quoted, being No. 141844.

Mr. GREEN: At what page in the proceedings does the reference appear?

The WITNESS: It was in the statement given by the Sir Arthur Pearson Club.

The CHAIRMAN: The secretary will find the page in a moment.

The WITNESS: That pensioner receives a total disability pension of \$900; an additional pension for his wife of \$300; a clothing allowance of \$22 per annum because of the amputation of the arm; a helplessness allowance of \$630; and his case is being reviewed now.

Mr. GREEN: What is the name of the man?

Some hon. MEMBERS: Oh, no, no.

The CHAIRMAN: The number is there.

The WITNESS: I will give the details of the disability—loss of sight in right eye; perception of light in left eye; amputation above elbow of left arm; some facial disfigurement.

The CHAIRMAN: What is the sum total of what he receives at the present time under all benefits?

The WITNESS: I have the figure—he now receive \$1,852.

Mr. GREEN: What was the number of that case?

The WITNESS: 141844.

Mr. WOODS: What would he receive with the increase in helplessness allowance?

The WITNESS: The increase in helplessness allowance will result in the receipt of approximately another \$600.

The CHAIRMAN: Bringing him to \$2,400.

The WITNESS: Yes, approximately.

The CHAIRMAN: The reference to this case is at the top of page 35 of the current report, Mr. Green. The name is there so I suppose there is no harm in repeating it.

Mr. CRUICKSHANK: Why should we repeat these names at all?

The CHAIRMAN: It is in the record.

Mr. CRUICKSHANK: But why repeat it?

The CHAIRMAN: You will find the reference at the top of page 35 and I do not propose to debate the matter.

Mr. CRUICKSHANK: If you would get rid of about ten lawyers here we could accomplish something.

By Mr. Green:

Q. What would you say about the case referred to on pages 32 and 33?—A. Of the same proceedings, Mr. Green?

Q. Yes.—A. The other case that was mentioned when the delegation appeared before the committee was brought under review immediately.

The CHAIRMAN: That concludes the statement which Brigadier Melville wished to make.

Mr. GREEN: I have asked about the case of 51065 at the bottom of page 32.

The CHAIRMAN: Well I was about to say Brigadier Melville would be glad to answer any questions, so you are quite in order.

The WITNESS: He had just been discharged from the treatment strength of the department and his case was now subject to review with regard to helplessness allowance.

By Mr. Green:

Q. That case seems to put the difficulty pretty clearly. This man had his right leg amputated above the knee, left leg fused at the ankle, knee and hip, one eye out, one arm crippled and shortened, only partial movement of the shoulders and large painful back wounds.

He has made repeated trips back to hospital for further treatment for his old wounds, and just this week has been discharged from hospital after taking treatment for the discharging wounds in his back. It can be appreciated that this man is only capable of part-time employment. Although his wounds amount to a net total of 270 per cent he receives no helplessness allowance and, being a widower, is therefore forced to get by on his \$75 a month pension. This man has received no consideration through the years for his disabilities in excess of 100 per cent.

Apparently there is no provision in our Pension Act to deal with a case of that kind.—A. First of all the 250 per cent is an estimate.

Q. 270 per cent.—A. The 270 per cent is an estimate. I immediately sent down word to get an examination report. The report should be in very soon with regard to the assessment of each separate disability.

Q. If these facts as stated by the National Council are correct is there any way under our present pension provision by which that man's case can be dealt with?

The CHAIRMAN: By which he can get more than 100 per cent.

Mr. GREEN: He is only getting \$75 a month.

The CHAIRMAN: That is 100 per cent at the moment, is it not?

The WITNESS: If he is totally disabled and helpless and in need of some degree of attendance within the meaning of the Act then there is definitely a provision in section 26, but there is no other provision where the sum total of the separate disabilities may exceed 100 per cent if he is not totally disabled and helpless and in need of attendance.

By Mr. Green:

Q. Apparently he does not come under the helplessness section?—A. I do not know yet.

By the Chairman:

Q. There is no ruling on that?—A. Not yet.

By Mr. Quelch:

Q. In trying to compare the Canadian rates with the United States rates would it be fair to say, generally speaking, you would have to add the Canadian disability pension to the helplessness award and compare that with the United States special categories? If you do that there is a substantial benefit to the United States veteran above that of the Canadian veteran in so far as single veterans are concerned. Then when you take the married veteran that United

States benefit decreases, but even so there is still an advantage to the United States veteran.

The CHAIRMAN: to the veteran as such.

Mr. QUELCH: As such, yes. There is considerable advantage in so far as the single United States veteran is concerned, and even a slight disadvantage in most cases to the married veteran, although that depends upon the number of children.

The CHAIRMAN: As soon as he starts having children that advantage disappears very rapidly.

Mr. QUELCH: Yes, but take the last page on the form you have just given us.

The CHAIRMAN: There is another matter which we neglect sometimes in considering the comparison between the United States veteran and the Canadian veteran. That is the principle which this committee succeeded in having re-established, namely, the insurance principle, because in dealing with the American pension cases in non-service connected disabilities no pension is paid in the United States for partial disabilities. The basic total disability rate for non-service connected disabilities is \$720 annually increased to \$864 after 10 years, or at age of 65. Under the Canadian insurance principle both service and non-service disabilities are assessed in the same way and at the same rates. In both countries, of course, no income tax is paid on that. That appears on this form which you will have on Tuesday and which will be on the record. That is something to which I do not think we pay enough attention. Actually the connected disability man appears to considerable advantage as Mr. Quelch says, \$400 in the case of the American, but taking the broad field of those who are injured or become disabled on service but not as a result of service that is another matter. Of course, there is a difference. I do not know what the exact percentage is of our pensioners who are under that scheme, but we know there were more than a quarter of a million came in automatically two years ago next month when we changed it.

Mr. BENTLEY: May I ask one question? On page 156 of the proceedings of April 13 the minister announced the settlement by the government of the increase in the helplessness allowance. That shows in the last complete paragraph at the bottom of that page. On the sheet that we got this morning, paragraphs 3 and 4, there are two different amounts that may be paid. Three puts the helplessness allowance on the basis of the pension paid. A brigadier would not receive anything. A colonel would receive slightly less than the others. A major and a lieutenant colonel also would receive less. They arrive at the same amount at the end with the pension and helplessness allowance combined except for brigadiers. Then in No. 4 it shows what would happen if \$1,400 was paid right across the board. That is not made clear in the minister's statement. I wonder if we could have that point made clear, which one of those is to be effective.

The CHAIRMAN: Mr. Bentley, at the time the recommendation was made to the minister that he take the matter up with his colleagues, when we recommended the raising of the minimum and maximum allowance, we had a motion before the committee at that time by Mr. Green which the committee has not yet resolved. We did not decide which of those two we would recommend. In view of those circumstances the minister was not asked as to what the policy would be until we have decided what we will recommend. Therefore it was deliberately left out. This statement shows you what will be the case if we recommend one or the other and the minister is able to convince his colleagues that they should follow our recommendation.

Mr. BENTLEY: Mr. Green's motion is still before us?

The CHAIRMAN: It was arranged it would not be resolved until we had concluded our study of the basic principles.

Hon. Mr. GREGG: I might add that in the discussions on that it was made perfectly clear that point was still under discussion by the committee.

Mr. GREEN: Before we adjourn I should like to place a motion before the committee before the matter is forgotten. It is that we recommend that upon the increases going into effect similar increases be made automatically under section 21, which provides pensions for meritorious service. My idea is those pensions should be increased without the formality of calling for further applications from the recipients. I think that should be cleared up so these people will get that increase without having to write in and make formal application for it. I pointed out yesterday if they are required to write in quite a large percentage will not know of that requirement and will not get the increase. I think it meets with the spirit of the bill, and I am sure it is the wish of everyone on the committee that those section 21 recipients should get their increases automatically.

Mr. CRUICKSHANK: I will second that.

Mr. QUELCH: Before we close I should like to ask Brigadier Melville—

The CHAIRMAN: Mr. Green has moved and Mr. Cruickshank has seconded that the committee pass a resolution—I think I can give you the wording—recommending that the increases granted under the amendment to the Act shall be automatic in the case of section 21. That is what it means. Before we pass that motion there is something which I think requires to be said with respect to that. The information we got yesterday, I think, was that was the spirit in which the commission would interpret the legislation, but I think the committee should understand fully before passing it that this is not a grant as of right, that there is in effect a means test which is applied to the granting of those pensions under section 21. I am in the hands of the committee but my opinion is that I doubt if the committee would want at this stage to recommend a procedure which might result in the making of an automatic grant and then subsequently looking behind that award with the possibility of there having to be either collections or deferments at a later date. I should like to know from Mr. Melville whether there is any possibility of that happening. That is something which is always regrettable and would defeat the purpose of the motion.

Mr. GREEN: I take it the intention of each one of us is that these people get the increase just the same as the others. I do not think they should have to pass a means test in order to get that increase. That is what I had in mind, that it should be granted automatically.

The CHAIRMAN: I think we can get that information.

The WITNESS: The members of this committee will remember that when the insurance principle was restored on the first day of June, 1946, the commission took into consideration what was the greatest need, and they immediately dealt with the cases of all widows who had awards under section 11 (3), and their pension cheques for the month of June were at the increased rate. Every member of the commission and practically every male member of the staff is a veteran, and we are definitely determined that we will go to the limit of what is provided. The Act says that the amount shall be such sum as the commission shall fix. That is mandatory, but we know exactly what has been expressed here in this meeting, and surely the commission will give effect to it.

Mr. GREEN: Then Brigadier Melville should have no objection to that recommendation being passed by the committee so that it is a matter of record. He said yesterday if people wrote in and applied for a higher pension that would be considered. I am trying to get away from that requirement. I do not think it should be necessary for these people across the country to write in and ask for the increase.

Mr. CRICKSHANK: Just a minute, please. We have been very patient at this end of the table. For once the member from Vancouver South and I are in agreement. My understanding of section 21 is that it is purely meritorious cases. The widow receives the award due to some action on the part of her husband in the service, or the veteran receives the award. Surely there should not be any question. We are in no way criticizing the Pension commission at all. I think we are strengthening our hand. Why any widow should have to write a letter is beyond my understanding. I think it should be absolutely automatic if the other is passed, and I can see no reason for discussion. This is not in criticism of the commission at all. We are merely endorsing that this should be done, as far as I see it.

The CHAIRMAN: Gentlemen, as I interpret this motion it proposes no amendment to the legislation. What the motion does is to express the opinion of this committee that the committee hopes—that is all it does at the moment—that the commission will in effect do that which the chairman says they are doing, to look at these section 21 cases, to treat them with the degree of generosity which the legislation will ultimately apply to those who get a pension as of right. Perhaps I let my sympathy run away—

Mr. CRICKSHANK: I do not agree with the word “generosity.” It is a matter of right.

The CHAIRMAN: The language is mine and I am glad to have you amend it. I think perhaps in entertaining this motion I let my sympathy run away because we already have a series of motions before us. However, there has been no objection taken in any case. We have this motion before us. To be strictly regular I should have deferred it until after we had disposed of the other motions before us, but I do not see any point in being insistent on these technicalities. As soon as the secretary can word it in such a way that I can read it to you I will do so.

Mr. BENTLEY: While he is doing that could I draw something to your attention?

The WITNESS: To complete this may I say the attitude of the commission is strengthened by what has been expressed in this committee.

Mr. CRICKSHANK: That is all we are trying to do.

Mr. BENTLEY: Section 21 of the Act reads this way:

The commission may, on special application in that behalf, grant a compassionate pension, allowance or supplementary award in any case which it considers to be specially meritorious.

Many of us have sent out copies of the veterans charter to our Legions, and some of the boys read it. I understand in this Act the word “meritorious” is simply the word around which the means test revolves.

The WITNESS: No.

Mr. BENTLEY: The merit of the special case is what is involved in this act and yet because the word “meritorious” is frequently used to describe some particular type of service that a soldier has given to this country in time of war I have often heard veterans say that a veteran who has had meritorious service automatically comes under this. I think it should be clarified on the record.

The WITNESS: Everybody who had the honour to wear His Majesty's uniform rendered service of merit. What the commission is called upon to do in the interpretation of section 21 is that on special application in that behalf, where the service has been specially meritorious, we may make an award.

The WITNESS: No, Gentlemen, may I say something off the record?

The CHAIRMAN: Yes.

Mr. BENTLEY: The means test does not revolve around that word at all? (Off the record).

By Mr. Bentley:

Q. I want to get something clear. I was not criticizing.—A. I did not take it that way.

Q. I hope no one thought I was. I was simply saying that I thought the wording here was not quite clear enough. It might have been better had there been something like this, "In any case where the service of the veteran has been specially meritorious." That might have been better because it is open to misinterpretation, and frankly I did misinterpret it.

Mr. GREEN: That might restrict it.

The WITNESS: That might impose a restriction, may I point out, because you may have a soldier, navy, army or air man, whose service was especially meritorious and who meets with an accident and leaves a widow who has no entitlement at all, but his service was distinguished, was especially meritorious within the meaning of the Act, and we can and do provide. The same thing has happened with a child or children, and orphan children.

Mr. BENTLEY: I appreciate the explanation.

The CHAIRMAN: Gentlemen, I have a wording here which seems to be acceptable to the mover. It is moved by Mr. Green and seconded by Mr. Cruickshank that the committee recommend that upon the increases in disability pension rates going into effect pensions under section 21 of the Pension Act be increased without further application. Is that perfectly clear?

Mr. GREEN: I think that meets it.

The CHAIRMAN: My own interpretation—and I say this in order that I may be clear on it—is that it means simply that whereas there was no discretion to go beyond the current rate there not only is discretion to raise, but if a man or woman was entitled to 40 per cent of the maximum they still should get 40 per cent of the maximum automatically although the maximum is raised. Is that the proper interpretation?

Mr. HERRIDGE: Before the motion is put are you quite sure there is not any conflict between the motion and the section of the Act? Is the motion not in too strict language? Should we not recommend to the commission that this principle be applied, something of that sort? It sounds to me that we are passing a motion which is somewhat in contradiction to the section of the Act.

The CHAIRMAN: I am not a lawyer. Sometimes that is a disadvantage, but it appears to me the point of our resolution is that in the opinion of this committee, which is sometimes listened to, as you know, that we should take advantage of the change in the ceiling which the Act will permit and give a proportionate increase.

Mr. HERRIDGE: Would you mind reading it again?

Mr. BROOKS: The resolution cannot change the Act.

The CHAIRMAN: No, but it is our opinion that with the changed ceiling it should be raised automatically. That is what it amounts to. I will read it again. It is moved by Mr. Green and seconded by Mr. Cruickshank that the committee recommend that upon the increases in disability pension rates going into effect pensions under section 21 of the Pension Act be increased without further application. All those in favour?

The WITNESS: I am no lawyer, but in all kindness and sincerity may I make a suggestion? The first part is all right, but I would suggest that you conclude with the words, "that the commission review the awards in payment under section 21 without necessity of written application." I would be glad if you would do that. You have something mandatory here. The Act is our mandate. I am no lawyer, but I would suggest you do that which is what you are trying to convey.

The CHAIRMAN: Will you give us those words again? With Mr. Green's consent I will amend it.

The WITNESS: "That the Canadian Pension Commission review each award in payment under the provisions of section 21 of the Pension Act without the necessity of application by the pensioner."

The CHAIRMAN: You move that as amended, Mr. Green?

Mr. GREEN: Yes.

The CHAIRMAN: All those in favour? Contrary? Carried.

Hon. Mr. GREGG: Before the committee breaks up I should like to say a word off the record.

(Off the record.)

The committee adjourned to meet again on Tuesday, April 20, 1948, at 11 o'clock a.m.

APPENDIX "A"

BASIC ANNUAL PENSIONS

CANADA AND UNITED STATES

Based on 100 Per cent

	Pensioner single	Pensioner married	Married one child	Married two children	Married three children	Married four children	Married five children	Married six children
	\$	\$	\$	\$	\$	\$	\$	\$
Proposed New Canadian rates...	1,044	1,404	1,620	1,788	1,932	2,076	2,220	2,364
U.S. rates— W.W. II, perman- ent disability and temporary.....	1,656	1,656	1,656	1,656	1,656	1,656	1,656	1,656

NOTES: The above U.S. rates apply only to service connected disabilities.

In non-service connected disabilities, no pension is paid in the United States for partial disabilities. The basic total disability rate for non-service connected disabilities is \$720 annually, increased to \$864 annually after ten years continuous receipt or at age 65.

In Canada, the insurance principle applies with service and non-service disabilities assessed in the same way at the same rates.

In both countries, pension is exempt from income tax.

WIDOWS AND DEPENDENT PENSIONS

CANADA AND UNITED STATES

Annual Rates

	Widow	Widow one child	Widow two children	Widow three children	Widow four children	Widow five children	Widow six children	Each sub- sequent child
	\$	\$	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Proposed new Canadian rates...	840	1,056	1,224 00	1,368 00	1,512 00	1,656 00	1,800	12 00
U.S. rates—death service connected	720	936	1,123 20	1,310 40	1,497 60	1,684 80	1,872	15 60
U.S. rates—death service not connected.....	504	648	720 00	792 00	864 00	936 00	1,008	6 00

NOTES: A means test applies in the United States in the case of non-service connected deaths. For the widow without children, annual income must not exceed \$1,000. Where there is a child or children it must not exceed \$2,500.

In U.S. non-service connected cases, it must be shown that the veteran at the time of death was in receipt of, or entitled to receive a pension of not less than 10 per cent.

ORPHAN PENSIONS

CANADA AND UNITED STATES

Annual Rates

	One child	Two children	Three children	Four children	Five children	Six children	Each sub- sequent child
	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.	\$ cts.
Proposed new Canadian rate..	432 00	768 00	1,056 00	1,344 00	1,632 00	1,920 00	288 00
U.S. rate service connected...	360 00	547 20	691 20	835 20	979 20	1,123 20	144 00
U.S. rate non-service connected.....	259 20	388 80	518 40	576 00	633 60	691 20	57 60

DEPENDENT PARENTS

MAXIMUM ANNUAL RATE

	One parent	Two parents
	\$	\$
Proposed new maximum Canadian rate.....	840	1,020
U.S. rate—Service connected.....	648	720
U.S. rate—Non-service connected.....	No provision	

SPECIAL COMMITTEE

HELPLESSNESS ALLOWANCE

CANADA—

The Canadian Pension Act recognizes that certain disabilities require additional care and attendance. Provision has been made, therefore, for an additional allowance at present with a maximum of \$750 annually. It has been recommended by the Parliamentary Committee that this allowance be increased to \$1,400. The table below is based on 100% disability plus full helplessness, although administratively helplessness allowance is divided into four categories, ranging from full helplessness at \$750 annually to a minimum of \$250 annually.

—	Pensioner single	Pensioner married	Married one child	Married two children	Married three children	Married four children	Married five children	Married six children
	\$	\$	\$	\$	\$	\$	\$	\$
Proposed new pension plus present \$750 allowance...	1,794	2,154	2,370	2,538	2,682	2,826	2,970	3,114
Proposed new pension plus proposed \$1,400 allowance...	2,444	2,804	3,020	3,188	3,332	3,476	3,620	3,764

TYPICAL EXAMPLES OF DEGREES OF HELPLESSNESS

Disability	Description	Present scale amount of allowance
		\$
Paraplegia (complete cord lesion)	Constant attendance	750
Insanity, epilepsy (severe) etc.	Almost constant attendance	675
Loss of both arms (at wrist up)	Intermittent attendance	575
Loss of both eyes or total blindness	Occasional attendance	480

IN UNITED STATES—

A comparison between Canadian and United States rates is not possible where the need for attendance is a factor, in that, in the United States the pensioner requiring attendance is removed from normal pension and placed in a special category. Helplessness allowance, as such, is not paid. Typical examples of United States disabilities in this more serious category are:

Disability	Total annual rate pensioner	Additional pension for dependents
	\$	\$
Total deafness with total blindness	4,320	None
Anatomical loss—Both eyes	3,816	None
Loss of two extremities—so near shoulder or hip as to prevent use of prosthetic appliances	3,816	None
Blindness, both eyes, where regular aid and attendance is required	3,384	None
Loss or loss of use of two extremities at level or with complications preventing natural elbow or knee action with prosthesis in place	3,384	None
Loss—Both eyes	2,880	None
Loss or loss of use of both hands, both feet or one hand and one foot	2,880	None

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Canada Veterans Affairs Special Committee
1947-48
(SESSION 1947-1948

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 8

TUESDAY, APRIL 20, 1948

WITNESSES:

Mr. W. S. Woods, Deputy Minister, and Mr. E. J. Rider, Research Adviser,
Department of Veterans Affairs;

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman,
Canadian Pension Commission;

Dr. C. M. Isbister, Assistant Dominion Statistician, and Mr. H. F. Greenway
and Miss M. E. K. Roughsedge, of the Dominion Bureau of Statistics;

Mr. R. M. Cram, of the Department of Labour.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1948

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APR 29 1948
UNIVERSITY OF TORONTO

ORDERS OF REFERENCE

FRIDAY, 16th April, 1948.

Ordered,—That the following Bill be referred to the said Committee, viz:—
Bill No. 60 (Letter G of the Senate), intituled: "An Act to amend The Veterans Insurance Act".

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MONDAY, 19th April, 1948.

Ordered,—That the following Bill be referred to the said Committee, viz:—
Bill No. 200, an Act to amend the Veterans Rehabilitation Act.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

TUESDAY, 20th April, 1948.

Ordered,—That the name of Mr. Halle be substituted for that of Mr. Baker on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORT TO THE HOUSE

TUESDAY, April 20, 1948.

The Special Committee on Veterans Affairs begs leave to present the following as a

THIRD REPORT

Your Committee recommends that, upon increases in war disability pension rates going into effect, the Canadian Pension Commission review each award in payment under Section 21 of the Pension Act without the necessity of application by the pensioner.

All of which is respectfully submitted.

L. E. MUTCH,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, April 20, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Belzile, Benidickson, Bentley, Blanchette, Brooks, Cruickshank, Dickey, Dion, Emmerson, Gauthier (*Portneuf*), Gregg, Green, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Marshall, Mutch, Pearkes, Quelch, Skey, Viau, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister, and Mr. E. J. Rider, Research Adviser, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Dr. C. M. Isbister, Assistant Dominion Statistician; Mr. H. F. Greenway, and Miss M. E. K. Roughsedge, of the Dominion Bureau of Statistics; Mr. R. M. Cram, Department of Labour.

Dr. Isbister was called, heard and questioned.

Dr. Isbister tabled two statistical memoranda on Wages and Cost-of-Living Index Number Data, Reference Level 1920=100, and Reference Level 1925=100, which are printed as *Appendices "A" and "B"* to this day's minutes of proceedings and evidence.

Messrs. Greenway and Cram were recalled and questioned.

Dr. Isbister tabled an explanatory statement of the Dominion Bureau of Statistics Cost-of-Living Index Weighting System, which is printed as *Appendix "C"* to this day's minutes of proceedings and evidence.

Mr. Melville was recalled and questioned, and tabled a statement relating to fractional assessments, which is printed as *Appendix "D"* to this day's minutes of proceedings and evidence.

On motion of Mr. Lennard, at 12.45 o'clock p.m. the Committee adjourned until Thursday, April 22, at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 20, 1948.

The Special Committee on Veterans' Affairs met this date at 11.00 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Before we begin the formal discussion this morning, I received a wire—in fact, I think you all did—from Judge McDonagh, Acting Chairman of the National Council, dated Toronto, April 16th. This one was addressed to me as chairman, and I asked the secretary to acknowledge it, which he did in these terms:

Judge Frank McDonagh,
City Hall, Toronto.

Your telegram 16th addressed L. A. Mutch will be placed before committee on Veterans Affairs at next meeting.

My understanding is you all received a wire from him. I am going to ask the steering committee to meet with me for a minute or two at the close of this meeting, or in the last few minutes of this meeting, if they will. We might decide then whether it is necessary to enter his wire in the record. I am in your hands. If you want it on the record I will definitely so order. Otherwise we will leave it to the steering committee to consider.

I think that is the only extraneous matter before the committee this morning. We decided at our last meeting to bring before us again this morning the experts from the Bureau of Statistics supported by the statisticians from the Department of Labour. We had Mr. Marshall with us at our second last meeting. In his absence this morning we have his assistant, Dr. Isbister, who will present to the committee the answers to those problems which we presented to his department at the last meeting.

Dr. C. M. Isbister, Dominion Bureau of Statistics, called.

The CHAIRMAN: Are you prepared to proceed to table the information which you have?

The WITNESS: Yes, Mr. Chairman, we can proceed.

The CHAIRMAN: You have the information on the various questions which Mr. Marshall promised to dig up for us. Those are for distribution?

The WITNESS: Yes, Mr. Chairman, these are for distribution. There are two sets of tables.

The CHAIRMAN: The secretary will distribute them and we can get the explanation. Gentlemen, there was a question respecting children of school age which Mr. Herridge asked at one of our recent meetings. While the distribution is going on the Chairman of the Pension Commission tells me he is prepared to answer that question. Perhaps he might do that. It is very brief. Then we will get on with what we are doing.

Mr. MELVILLE: Mr. Chairman and gentlemen: The question asked by Mr. Herridge was a very interesting one, and the commission was very pleased to obtain the information. There are 25,540 children of World War I disability pensioners and dependent pensioners on whose behalf additional pension is being paid. There are 76,163 of World War II, making a total of 101,703 children

who are in receipt of additional pension either as children of disability pensioners or of dependent pensioners. Included in that total are 745 children who have reached the statutory age of 16 or 17 and who are pursuing higher education, and on whose behalf the commission, under the provisions of the section of the Act we discussed, is continuing payment of additional pension. I might add that any of these others I have mentioned who reach the age of 16 or 17 and pursue higher education would be eligible to apply for consideration.

Mr. BROOKS: Are there any children over the age of 16 or 17 who are mentally and physically incapable of looking after themselves? How many would there be in that group?

Mr. MELVILLE: I have not that information. I would be very glad to get it. We have quite a few awards in payment for children of disability or dependent pensioners, who have reached the age of 21 and are physically and mentally incapable of maintenance. I will table the figures some other time.

The CHAIRMAN: Gentlemen, before we begin we are back in this same resounding room.

Mr. CRUICKSHANK: Congratulations.

The CHAIRMAN: The committee will please remember it is difficult under any conditions for the *Hansard* reporter to get the questions and the answers. I will have to insist on your co-operation and ask that those who wish to speak will rise and raise their voices a little. I think that will be necessary so that the answers can be heard by everyone. If not, we will have private conversations which do not get on *Hansard*, do nobody any good and aggravate everybody.

Mr. CRUICKSHANK: I should like to congratulate you and assure you that as far as British Columbia, Mr. Green and myself, we will throw the prices committee out if they try to get in here again.

The CHAIRMAN: Dr. Isbister will begin his explanation of these documents.

The WITNESS: Mr. Chairman and gentlemen, with your permission I shall remain seated during my interrogation later. I have not come with a prepared statement but rather with materials prepared in response to questions raised in this committee some days ago when the Dominion Statistician, Mr. Herbert Marshall, appeared, and certain proposals were made.

The purpose of my coming here this morning is to answer whatever questions may arise out of the committee's perusal of these materials, and to be of any assistance that is possible in connection with the study of them.

I might say a few brief words about the way in which the documents have been prepared which have been just laid before the committee. There are two different sets of mimeographed sheets. One of them, it may be noted on the cover, is on a reference level of 1920 equals 100, and the second is on a reference level of 1925 equals 100. Except for this difference in the reference year the arrangement of tabular columns and pages is identical in the two sets of sheets. The two years were selected because they are the years which were discussed in the committee at its previous meetings.

Looking first, if I may, at page 1 of the set of tables which is taken from a reference level 1920 equals 100, there are presented a basic of wage rates of unskilled factory labour, male, the average earnings of wage and salaried workers, and the official cost-of-living index. I believe that these series are being placed before the committee for the first time on the base year 1920.

I might comment in passing that the fluctuation of the series entitled "wage rates" need not be expected to be the same as the fluctuation of the series entitled "average earnings of wage and salaried workers". The reason is that wage rates, as indicated in the column heading, must have added to

them information regarding the average length of the working day, the amount of overtime which is being worked, and the distribution of the labour force itself amongst industries in which wage standards are somewhat different, before one can build up from the wage rate series to the series of average earnings. The average earnings reflect, so to speak, the amount of pay received for his work by the worker.

The points to which I have referred are illustrated if one looks at the years 1944 and 1945 in the respective series where it may be seen that the average earnings decreased from one year to the next while the wage rates actually increased. This was a year in which the amount of overtime worked in industry was changing considerably. There was a good deal of relocation of the labour force going on, and other changes of a type to which I have referred. Therefore in such a year the two series move in different directions.

Proceeding now, on page 2 are presented the components of the official cost-of-living index numbers by years from 1919 to 1947, again on the basis of 1920 equals 100. The principal components of food, fuel and lighting, rent, clothing, home furnishings and miscellaneous, are all presented for detailed study.

On the third page the monthly figures are given for recent months, to be precise for the past 15 months, of the official cost-of-living index. It may be seen in those months and in fact, in probably all of the years involved, there is considerable month to month fluctuation in the index number as well as fluctuation in the annual totals.

Page 4 is built up out of materials presented on page 1 together with additional information. The purpose of page 4 is to permit a detailed study from the 1920 base of fluctuation in the relationships between the pension, average earnings of wage and salaried workers, wage rates of unskilled factory labour, and the cost of living. Perhaps the simplest way to explain the meaning of the successive columns on page 4 is to repeat what is already said in the footnotes to the table because the construction of the columns is really explanatory of the story that they tell.

Column 1 entitled "purchasing power of a pension" is quite simply the pension of \$900 each year divided by the cost-of-living index, and the resulting series referred to the level of 1920 equals 100. Column 2, which has been entitled "purchasing power of average earnings of wage and salaried workers" is obtained in similar fashion. The series, purchasing power of average earnings, is taken from column 2 of page 1 which has already been examined, and it is divided by the cost-of-living index to show the relationship between these earnings and the cost-of-living year by year, again referred to 1920 equals 100. Column 3, "purchasing power of an hour of unskilled factory labour, male" is obtained by dividing the wage rate index from page 1 by the cost-of-living index to show the relationship between wage rates per hour and the official cost-of-living index. These three columns then are built up in similar fashion, and the year to year fluctuations of them can be compared by going across the columns.

Column 4 compares columns 1 and 2 by dividing the purchasing power of average earnings into the purchasing power of a pension, and the resulting list of figures provides some measurement of the change in the position of the recipient of a pension over the years in relation to the position of the average wage earner.

Column 5 is built up in a fashion similar to column 4 by dividing column 3 into column 1. It shows the relationship between the purchasing power of a pension and the purchasing power of an hour of unskilled factory labour.

Unless the committee wishes I need not go through the other submission on the base 1925 equals 100 because all of the tables in the second set are prepared in exactly similar fashion.

By the Chairman:

Q. There is no difference between the two except for the basic year?—

A. That is correct, sir.

The CHAIRMAN: All right, gentlemen. We have with us the gentleman who has just explained these documents as well as the experts from the Department of Labour. While you have not had very long to look at them this is your opportunity to ask any questions.

By Mr. White:

Q. I should like to ask the doctor a question. On page 2 where you show the official cost-of-living index you set out the items that make up the cost-of-living index. Do you ever figure in income tax?

The CHAIRMAN: On \$900 a year there would not be any income tax.

By Mr. White:

Q. This is the cost of living. There is no tax on a pension, but in figuring the cost-of-living index I should like to know if income tax is taken into consideration in arriving at the official cost of living?—A. The cost-of-living index does not take account of income tax.

Q. Is it fair to state that if income tax was included the figure you give would be greatly increased?

Mr. BENEDICKSON: Can Mr. White tell us how you could possibly include income tax in a calculation of that kind?

Mr. WHITE: We have a bunch of tables here showing the purchasing power of a dollar. If you take income tax out of that in addition to what you have got here the purchasing power would be greatly depreciated.

The CHAIRMAN: Would not this be the situation, that the table attempts to show the purchasing power of a dollar whereas income tax rather than limiting the purchasing power of a dollar limits the number of dollars you have to purchase with. I think it would be trying to compare two things that are not comparable. If I am mistaken perhaps we can get direction on that. I do not think it affects the purchasing power of the dollar you have; it simply restricts the number of dollars you have to purchase anything with.

By Mr. Quelch:

Q. Has the list of commodities upon which the cost of living is based been changed at all in this period of time, or have you used the same list of commodities in each case?—A. There have been minor changes in the list of commodities priced to obtain the cost-of-living index month by month. Mr. Greenway is here this morning and available to answer that question in greater detail if you wish greater detail.

Mr. QUELCH: Only to the extent that there has been any large variation.

Mr. GREENWAY: No, sir.

Mr. QUELCH: What would the variation chiefly be, in what way?

Mr. GREENWAY: Mr. Chairman and gentlemen, the only changes in the actual items represented in the index resulted from very pronounced differences in consumption patterns over a period of time, and where such changes have occurred we have made occasional substitutions with the object of maintaining the same standard of living. In the case of rationing, for example, during the war, when it was necessary to reduce the quantity of sugar which was available as a result of rationing other foods which would provide a similar nutritional contribution to the diet were stepped up so that the over-all nutritional picture would not be essentially changed. That illustration is typical of any changes which have been made in the list.

Mr. QUELCH: How many commodities are included in the list altogether? Have you a rough estimate of the number?

Mr. GREENWAY: The number of actual price series represented in the index—we take it to be 147.

Mr. BELZILE: Do I understand that on the cost-of-living index some goods being scarce and hard to get were replaced by different kinds of goods but in the same category? What I mean is suppose during the war canned salmon became very scarce. It was replaced by some other kind of canned fish, or something like that? Is that right?

Mr. GREENWAY: That is right, sir.

The CHAIRMAN: I think the committee has probably noticed it, but these tables are based wholly on the pension of a single man without dependents. The figure of \$900 was used which is the \$75 pension of a single man. That affects the general picture somewhat. In studying this that should be kept in mind.

Mr. WRIGHT: I should like to ask the last witness if there has been any change in the cost-of-living index which would indicate the changed eating habits of our Canadian people. Twenty-five years ago, for instance, there was not as much green vegetables and that type of food used as there is today. Is the cost-of-living index, or the articles that enter into it, changed to conform to the changed nutritional standards that we consider to be essential today?

Mr. GREENWAY: The index as it now stands is related to a level of living which was typical of conditions immediately prior to the outbreak of war. We have attempted to measure throughout the whole period of time under review the effect of price changes only upon essentially the same standard of living throughout the period.

Mr. McKAY: There is a question I should like to ask with regard to home furnishings and miscellaneous index on page 2. I should like to know what the basis for the calculation is and if it has been changed since 1919. The reason I ask that question is that everybody knows that the standard of living of the Canadian people has certainly changed since 1919. Most people now require a frigidaire which certainly was not a common thing in 1919. Ice refrigerators were used then but not electric refrigerators. The same thing would apply to radios. Has the base been changed since 1919 or is it exactly the same with regard to the home furnishings and miscellaneous index?

Mr. GREENWAY: As I have mentioned in replying to the last speaker we have attempted to measure the effect of price change only throughout this whole period. That means measuring price change in terms of essentially the same list of goods throughout, not identically the same list, but basically the same list of goods throughout the period. One or two items have been mentioned which, in fact, were not directly represented in the index in 1919. Subsequently those same items that have been mentioned have been added. It is impossible over such a long period to maintain exactly the objective that you have before you, but I have stated as clearly as I can the aim that we have had in preparing this index.

Mr. BROOKS: I wonder if I might ask the witness a question. It has to do with the cost-of-living index. Take foods, for instance. We know that bread, meat and milk and the essential foods are used much more than some other kinds of food such as mustard, pepper, salt or coffee. In preparing the cost-of-living index do you take the proportion of the foods that are used like the essential foods I have mentioned and the proportion of the others? If bread had gone up 10 per cent, for instance, and mustard had gone up 10 per cent in price would you use those as just two commodities in your cost of living or would you take into consideration the great quantities of bread that are used and the small quantities of mustard, and try to work out a proportion in that way?

Mr. GREENWAY: We do give definite account to the difference in amounts actually consumed of the different items represented in the index. The figure for bread happens to be 12·1 pounds per week for the family that we are considering.

Mr. BROOKS: But they are worked out on a proportional basis?

Mr. GREENWAY: That is right.

The CHAIRMAN: A weighted basis?

Mr. GREENWAY: We call it different weights. We refer to different weights for different commodities. Compared to 12·1 pounds for bread we have ·3 pounds for rice and ·5 pounds for rolled oats, 10·5 quarts of milk, and so on.

Mr. BENIDICKSON: Are those the quantities that you use for your typical family at the present time?

The CHAIRMAN: What is the question?

Mr. BENIDICKSON: Are those the quantities of those products that you use for your typical family at the present time?

Mr. GREENWAY: Those are the quantities actually being used now.

Mr. WOODS: By the average family?

Mr. GREENWAY: Yes, sir.

Mr. BENIDICKSON: What were the quantities of those products that were the basis of your calculations in the year 1920?

Mr. GREENWAY: I am sorry, but I do not have that information.

Mr. BENIDICKSON: It would vary? The quantities vary from year to year?

Mr. GREENWAY: No, sir, it does not vary from year to year for the reason I mentioned. We are attempting to measure the changed prices only upon a given level of living. We change the quantities only at very infrequent intervals in between major revisions of the index. There is no annual revision or no annual change to take account of year to year shifts in consumption.

By Mr. Green:

Q. May I ask a question with regard to this statistical memorandum on wages and cost-of-living index number data, reference level 1920 equals 100. I think the statements a few moments ago were made on the basis of the 1920 figure, and actually we are not very much interested in 1920 because it was in 1925 that the pensions were last set. I submit that is the year we should be concerned with. On page 1 of your memorandum, Dr. Isbister, under the first column, wage rates, unskilled factory labour, male—of course, all these figures are based on 1925 equals 100—you show a figure for 1946 of 179·5. Can you give us the estimated figure for 1947?—A. I have no estimate for the year 1947. The representatives of the Department of Labour are here this morning and can be questioned on that subject.

Q. Can you consult with them and let us have the estimated figure for 1947?

Mr. CRAM: I believe a similar question was asked at the last session which we attended. We have not the exact figure. I think you asked for an estimate and I said it would be little more than a guess, and I gave a figure of 10 per cent. That is about the best we can do. Probably it might be a little more than 10 per cent, but we have not got the calculations made.

Mr. GREEN: Then, Mr. Cram, your estimate for the 1947 figure for wage rates, unskilled factory labour, male, would be 179·5 plus about 18?

Mr. CRAM: About 18.

Mr. GREEN: Which would make it—

Mr. ISNOR: 197·4.

Mr. GREEN: 197·5?

Mr. CRAM: Yes.

By Mr. Green:

Q. Then, Dr. Isbister, the average earnings of wage and salary workers have gone up since 1925 to 1947 from 100 to 162·9, according to your memorandum?—A. Yes, sir.

Q. The official cost of living has gone up from 100 in 1925 to 113·1 in 1947. That is correct?—A. Yes, sir.

Q. That figure of 113·1 is the average figure for the year 1947, is it not?—A. Yes, sir.

Q. In other words, at the end of December, 1947, it was considerably higher than that?—A. That is shown on page 3 where the cost-of-living index is presented by months for the year 1947, and in December, 1947, it was at a level of 121·9.

Q. And at the end of March it was 125·9?—A. Yes, sir.

Q. The end of March, 1948. As I understand it your cost-of-living index does not really represent an increase in the standard of living through the years. It does not accurately represent an increase in the standard of living?—A. The cost-of-living index, as you have said, is not the result of an effort to measure changes in the standard of living but rather an effort to measure the change of prices involved in maintaining a fixed standard of living.

Q. Then may I turn to page 4 of your memorandum. That shows purchasing power relationships, wages and pensions 1920 to 1947 with 1925 equalling 100. There you show the purchasing power of a pension at 100 in 1925 and in 1947 it is 88·4. That again, I suppose, is the average figure for 1947?—A. Yes, sir, that is the result of dividing the pension of \$900 by the level of the cost-of-living index in the year 1947 which is found on page 1 to be 113·1 and referring the result to a base of 100 in 1925.

Q. Can you give us a similar figure for the 31st of December, 1947?—A. The appropriate figure will be \$900 divided by 121·9 and then referred to the same base as the balance of the series. It will take a few moments to calculate it, but it can be obtained for you.

The CHAIRMAN: We will get it for you, Mr. Green, if you wish to continue.

Mr. GREEN: I should like to have that figure because actually the cost of living went up steadily in 1947, and the purchasing power of a pension will be considerably lower at the 31st of December, 1947, than it was taking the whole of 1947 on an average.

Mr. BROOKS: Why not get it at the end of March, 1948?

Mr. MCKAY: Why not take March, 1948?

The CHAIRMAN: You have it for March, 1948.

Mr. GREEN: Perhaps we could get it for March, 1948. In the second column on page 4 you have the purchasing power of average earnings of wage and salaried workers. There we find that although the purchasing power of a pension has gone down the purchasing power of average earnings of wage and salaried workers has gone up from 100 to 144. I guess to be fair we should have that figure also for the end of December, 1947, which I presume would be lower, and for the 31st of March, 1948. It may be that average wages have gone up during that period and the pension has remained fixed. Probably average wages were higher at the 31st of December, 1947, and higher again at the 31st of March, 1948 than they were taking the average for the whole year 1947 which brings you to a figure of 144. It would be possible to get those figures, would it?

The WITNESS: The figures as requested for the purchasing power of a pension in December of 1947 and March of 1948 can be worked out here. The figure of purchasing power of average earnings is a little bit more difficult arithmetically to work out, and with your permission we would prefer to submit this to a later meeting of the committee because facilities are not available here.

By Mr. Green:

Q. Then the third column is purchasing power of an hour of unskilled factory labour, male. We find that has risen considerably more from 1925 to 1947. That figure is important because the pension is supposed to be based on the rates for unskilled labour.—A. Yes.

Q. There you do not have the figure for 1947. Your latest figure is 1946. You show an increase from 100 to 173·9?—A. Yes.

Q. Could we have the estimate for 1947? Would it be 10 per cent as Mr. Cram gave on the previous table?

Mr. CRAM: We are making that calculation and we will have it in a minute based on the 197·4. We will have that figure in a minute.

The CHAIRMAN: It is coming. They are working it out now.

Mr. GREEN: It will be approximately 10 per cent higher?

Mr. CRAM: Whether or not that relationship holds it will show a further decline in purchasing power. It will show a decline from the level of 173·9 of the previous year.

Mr. GREEN: It would be maybe lower?

Mr. CRAM: Yes.

Mr. GREEN: That would depend on whether the average hourly wage for unskilled labour has changed during 1947?

Mr. CRAM: Yes. I have not got the figure yet.

Mr. GREEN: You have not got the the figure? You could not give us an estimate?

Mr. CRAM: We will get it.

The CHAIRMAN: The figure is being worked out. You will get the actual figure as quickly as these people can work it out.

Mr. CRAM: The figure we have calculated is 157·3.

Mr. GREEN: 157 or 167?

Mr. CRAM: 157·3. That is the third column on page 4. It is dividing 197·4 by 113·1.

Mr. GREEN: Has there been any increase in the pay for unskilled labour during 1947?

Mr. CRAM: What is your question?

Mr. GREEN: Has there been any increase in the wage per hour for unskilled labour during 1947?

Mr. CRAM: Yes.

Mr. GREEN: Did you take that increase into consideration in arriving at this figure of 157·3?

Mr. CRAM: That is right. That is included in the index. That is why the index went up from 179·5 to 197·4. Evidently the cost of living went up a bit more than that.

Mr. GREEN: What is the hourly wage for unskilled labour at the end of March? Do you know that?

Mr. CRAM: 1947?

Mr. GREEN: No, 1948.

Mr. CRAM: We have not got that.

Mr. GREEN: What was it at the end of December, 1947?

Mr. CRAM: We have not that figure either. We only collect this data once a year, usually around the 1st of October.

By Mr. Green:

Q. Then, Dr. Isbister, to go on to column 4, percentage of purchasing power of a pension to purchasing power of average earnings, 1925 equalling 100, in 1947, 22 years later, the purchasing power of the pension as compared with the purchasing power of average earnings is only 61·4 per cent. Can you give us that figure for the end of December, 1947?—A. That can be done, sir, when the average earnings figure for the end of December has been obtained for the committee at its next meeting.

Q. Then in column 5, "percentage of purchasing power of a pension to purchasing power of an hour of unskilled factory labour", which, of course, I repeat, is the basis upon which the pension is supposed to be set, 100 in 1925; while in 1946 it is just over one-half, 55·7. Now, can you give us the figure for 1947?—A. That can be calculated here, as soon as the 1947 figure for column No. 3 has been put in, sir. In the meantime, may I provide the December, 1947 and March, 1948 figures for column 1, "purchasing power of a pension." In December, 1947, it is 82·0.

Q. Then it is down from 88·4, having regard to the whole of 1947?—A. Yes.

Q. To 82·1 at the end of 1947?—A. Yes. And March, 1948, it is 79·4.

Q. 79·5. Then, you cannot give me the final figures on column 4 and column 5 until you get the average earnings at the end of 1947? —A. The final figures for columns 3 and 5 can be provided today, on the approximate basis described by the other witnesses; but the final figures for columns 2 and 4 cannot be made available today.

Mr. GREEN: Thank you.

The CHAIRMAN: Are there any further questions, gentlemen, with respect to the tables?

Mr. LENNARD: There was some mention made earlier; I think there were some 148 items taken into consideration in arriving at the cost of living. Is there included in those items what might be considered as luxury items, for instance, tobacco and some beverages.

The CHAIRMAN: Who said that was a luxury?

Mr. LENNARD: Well, it is a necessity in some cases and is so considered today; but I wondered just what was included among those 148 items. We might find one or two that we might think should be included. I am not asking for a recital of those 148 different items, but I think, if it could be arranged, and furnished and put on the record without wasting half an hour over it, it might be rather helpful.

Mr. GREENWAY: I would be very happy to place on the record a complete list of the items going into the cost-of-living index.

Mr. WRIGHT: Would you also please show the weight along with the article because that would help to give us a better idea.

Mr. WOODS: Are medical services included in the cost-of-living index?

Mr. GREENWAY: Yes, sir.

The CHAIRMAN: The suggestion now is that Dr. Greenway will table this information and we will have it printed as an appendix to today's proceedings, the weighted table of those commodities and services which are presently used in connection with the working out of the average cost of living. Is that a correct description?

Mr. CRAM: In replying to Mr. Green a moment ago, I gave a figure, at the bottom of column 3, of 157·3. I now desire to correct that figure. The correct figure is 174·5.

Mr. GREEN: 174·5.

Mr. CRAM: That is right.

Mr. GREEN: That makes it higher instead of lower.

Mr. CRAM: Yes.

Mr. GREEN: I thought there was something wrong. 174·5. That is the average for 1947. Now, could we have the figure for December 31, 1947 and for March 31, 1948?

Mr. CRAM: I am afraid we have not got that information. As I said a little earlier, we make a survey but once a year, and these figures are based on a single annual survey.

Mr. GREEN: It would not be possible for you to get those figures?

Mr. CRAM: I do not know of any source.

Mr. GREEN: Are these figures going up or coming down?

Mr. CRAM: The pressure on it is upward at the present time, as is clear from press statements and the number of disputes and so on. Press clippings indicate that increases are being granted and that is about as far as we can go.

Mr. GREEN: So you really cannot tell?

Mr. CRAM: No.

Mr. WHITE: In response to a question a moment ago there was promised to be put in a list of articles used in the cost-of-living index. Would that information show, for instance, fuel, the quantity of fuel used, and the clothing for a husband and wife and the number of children in the family?

Mr. GREENWAY: It would include simply the total amount. The breakdown is not shown. This question introduces a problem which might be elaborated upon at considerable length, but I am not prepared to give a complete answer to it at the moment. It is a question which involves—I do not like to use the phrase statistical techniques—but I do not know of any other to use at the moment. We would be happy to submit an explanation which would answer this question and to table it at a later time.

Mr. WHITE: All I want to know is, for instance, take the lump sum for a year for clothing. That would be for an average family consisting of a husband, a wife, and two children.

Mr. GREENWAY: We have used the figure of 4·6 persons.

Mr. WHITE: If you take an average figure for the cost-of-living index, as far as clothing is concerned, if you take \$150 or \$200, or whatever it may be, what are the articles for the number of people in that family, upon which you base the figure of \$150 for clothing? I think it is very important to show what articles of clothing you figure are necessary for a family of 4·6, for an average year.

The CHAIRMAN: It is here; it is included in this table.

Mr. GREENWAY: I shall try to put the crux of the answer in a few sentences. All of the clothing expenditures of the complete family are represented in the clothing weight, which is 12 per cent of the total index weight, or 12 cents out of every consumer dollar.

In tracing the movement of clothing prices, upon the over-all cost of clothing, we do not use the price of every item in our month-to-month calculation. We use a list of somewhere between let us say 30 items only. There is an underlying assumption that items of similar basic materials show similar price movements. In effect, we use a percentage change from month to month in the price move-

ments of those 30 items. You adjust this 12-cent figure which represents all clothing expenditures, all items in the reference period. The clothing index now stands somewhere in the neighbourhood of 160. Now, in figuring the effect of clothing price changes upon the total cost-of-living index, we take that figure of 160 and multiply it by 12. We take a similar food index based upon, let us say about 47 items. The food index now being close to 200, we multiply that by 31, which is the number of cents out of each consumer dollar spent upon food in our reference period. That is the basic idea behind the whole index.

Mr. ISNOR: Would you continue and give us the other four things such as rent?

Mr. GREENWAY: Rent is similarly represented by a figure of 19 cents out of every consumer dollar.

Mr. ISNOR: And fuel?

Mr. GREENWAY: Fuel and light by 6 cents.

Mr. ISNOR: And home furnishings?

Mr. GREENWAY: Home furnishings and services would be 9 cents; and miscellaneous items, I believe, 23 cents.

Mr. WOODS: Medical services are under the miscellaneous items, are they not?

Mr. GREENWAY: Yes.

The CHAIRMAN: In answer to the question which Mr. White asked, I think this table is to be included in our deliberations of today. Under the items of clothing, men's wear, I see there are included the following items:

Overcoats, topcoats, suits, sweaters, overalls, sox, underwear, balbriggan combinations, underwear, winter; pyjamas, shirts, work; shirts, broadcloth; trousers, work.

Mr. LENNARD: If you keep on like that it won't be necessary to have any appendix because it will all be on the record. When I started this snowball, I did not think that I was going to start a discussion which would last for the remainder of this meeting. I was merely asking for information for the next meeting. So let us get down to something else. We are going to have this material and I hope we will have it in time for the next meeting.

The CHAIRMAN: I merely intended to indicate the nature of the breakdown in order to forestall any further questions, and so I was mentioning the detailed nature of the breakdown. But as far as I am concerned, I am through with it.

Mr. WHITE: There is that 12 cents out of every dollar.

Mr. GREEN: May I ask Dr. Greenway if he now has the 1947 figure for the "percentage of purchasing power of a pension to purchasing power of an hour of unskilled factory labour"?

Mr. CRAM: The figure I take is 50·7, but these figures are subject to correction because it is not hard to make a mistake; and I think we should have an opportunity to check them later.

Mr. GREEN: Then the figure I get for 1947 on page 4 of the 1925 memorandum reads "percentage of purchasing power of a pension to purchasing power of an hour of unskilled factory labour" for 1947 is 88·4. These are for the average, for the whole year 1947?

Mr. CRAM: Yes.

Mr. GREEN: The purchasing power of average earnings of wage and salaried workers, 144. The purchasing power of an hour of unskilled factory labour, male, 174·5; the percentage of purchasing power of a pension to purchasing power of average earnings, 50·7. These figures are correct; and we are to get the figures for December 31, 1947 and March 31, 1948 covering the purchasing power of

average earnings of wage and salaried workers, and the percentage of purchasing power of a pension to purchasing power of average earnings. Those are the figures you are to supply.

Mr. GREENWAY: Yes, sir.

Mr. BENIDICKSON: Both these tables are to be part of the record, so I think the 1920 figures should have these additions as well as the 1925 tables which are to be made at the request of Mr. Green.

Mr. ISBISTER: That will be done, Mr. Chariman.

By Mr. Quelch:

Q. On page 4, column 1, "purchasing power of a pension", it would be fair to say, would it not, that the purchasing power of a small pension would be depreciated to a greater extent than the purchasing power of a larger pension due to the fact that a person in the low income group that has to spend a larger percentage of income on basic foods, which have gone up to a greater extent than the cost of other commodities. So this would not really give a true picture in regard to all pensions, or to all low income groups. I mean this: To be based upon an average, actually, the lower the income falls, the greater percentage of that income which has to be spent upon basic foods which have gone up to a greater degree than other commodities. Would that be a fair statement?—A. It is a little difficult, in the absence of concrete evidence to say definitely in what direction the difference would be or what the amount of the difference might be. If it is accepted that a larger proportion of the small income is spent on food, then certainly the food components would have a greater influence on the purchasing power of the recipient of a small pension. The additional problem to be considered would be that in some cases the pension is the only source of income, and in other cases the pension would be a supplement to income. Presumably the total income rather than the amount of the pension would determine the pattern of expenditure or the standard of living which the recipient of the pension could afford.

Q. I quite see that; but I had in mind a case where the pensions are not supplemented by wages and where the small pension is the only income a man might have.—A. That would seem to be a reasonable expectation, sir, yes.

By the Chairman:

Q. Is not some distortion possible if we consider the income of the unskilled worker and the expenditure of his income which involves, when we are dealing with the cost-of-living index—which involves the consideration of the support of his family; whereas, throughout where we have been considering here the income of the pensioner, we have been basing it on the income of a single man, in the comparison, who does not have the expenditures which go into the other figure. Is there not some possible distortion of that?—A. I agree also with this suggestion, and add to it that, in putting forward these figures, it is felt that they are helpful as a guide to trends which have taken place over the period of time being considered, and that the figures ought, in all cases, to be interpreted against a background of judgment of exactly the kind which has been made by recent speakers.

Hon. Mr. GREGG: Could I ask about page 2 of the 1925 sheet? In the last column, "home furnishings and miscellaneous index," I take it that miscellaneous includes all those things not included in the other items. Is there, in miscellaneous, an amount for insurance for the family, or medical protection for the family? And if so, just approximately what proportion would it be?

Mr. GREENWAY: Both health maintenance and insurance are represented in the miscellaneous section of the cost-of-living index. In the statement which will be submitted to the committee there are four sub-groups under the heading

of miscellaneous, these headings being: medicines, hospital charges, doctors' fees, and dentists' fees. It is not possible to give you the exact proportion of the consumer dollar represented by these items offhand, but that can be figured out from the statement which will be tabled, and the same is true with regard to insurance.

The CHAIRMAN: Are there any other questions from these witnesses? If there are no further questions from these witnesses, I should think perhaps that the committee might indicate that there is some further information which has been promised to the committee in respect to questions from Mr. Green and, I think, from others. Would it meet the wishes of the committee with respect to these witnesses if that information should be tabled at the next meeting, or is it the desire of the committee that we should recall Dr. Isbister for further questioning with respect to the answers? I am entirely in the hands of the committee. Up to now we have received, I think, all that we have asked for except those questions which have been asked today, which are supplementary to the information we already had. So I would welcome the suggestion of the committee as to its desire to do any further questioning of these officials.

Mr. HARRIS: That ought to be up to the steering committee.

The CHAIRMAN: Yes. The steering committee will meet this afternoon.

Mr. PEARKES: I think it would be helpful to have the witnesses recalled. We have this mass of figures and it would be necessary for us to have time to digest them.

The CHAIRMAN: The steering committee will meet at the conclusion of this meeting, and perhaps we can discuss that and report back.

Mr. BROOKS: There is one other point I would like to ask the witness and it is with respect to column 1 on page 4 of the 1935 sheet, "purchasing power of a pension." You suggested yourself a moment ago that that probably was a pension for a single veteran.

The CHAIRMAN: It is.

Mr. BROOKS: That is correct, is it?

The CHAIRMAN: \$900.

Mr. BROOKS: We were basing our tables here, I understood, on a family of 4.6. Is the pension here based on a family of 4.6, or is it on a single veteran?

The CHAIRMAN: It is \$900, Mr. Brooks, which is what is called a veteran's pension.

Mr. BENEDICKSON: I trust there will be a good check on the figures which were submitted in the 1925 calculation, page 4, column 3, because I think most of us have been under the impression that the cost of living has been rising very fast and that it had outrun the increases in wages. But I would judge that the correction establishes the very opposite.

The CHAIRMAN: The answer is at the bottom of page 4, the first item:

"Purchasing power of a pension" is computed for each year by dividing the cost-of-living index from page 1 into the pension of \$900. The resulting series is related to a 1925 reference level.

By Mr. Harris:

Q. To my completely unskilled mind, would it make any difference if it was a single man or a married man with two children?—A. As long as the pension to which reference has been made has not been changed over the whole period, it would not affect the fluctuation of column 1 in any way at all because once the pension of \$900 has been divided by the cost-of-living

index, it is then put on the base of 100 in the year 1925 to make it comparable with the other columns; and therefore if you introduce a constant pension of any other amount, similar figures would result in column 1.

The CHAIRMAN: Does that answer your question, Mr. Brooks?

Mr. BROOKS: Yes, sir.

The CHAIRMAN: Are there any other questions?

Mr. PEARKES: The question may have been asked, but we cannot always hear well. How is the \$900 pension arrived at, and what does it represent?

The CHAIRMAN: It represents \$75 a month, a 100 per cent pension for a single man.

Mr. PEARKES: \$75 a month, a 100 per cent pension for a single man, on the old rates?

The CHAIRMAN: Yes, that is what we are dealing with.

Mr. GREEN: Could Dr. Isbister give us the figures for the 31st of March, 1937 on page 2, which are the official cost-of-living numbers based on 1925.

The CHAIRMAN: Page 3 of 1925?

Mr. GREEN: I mean, for the different items, the food index, the fuel and lighting and so on. We have the cost-of-living index at the end of December 1947, that is 12·129; but I was wondering if you had available the figures for the 31st of December, 1946.

The WITNESS: Those figures may be available here and if so they will be given in just a moment, sir.

The CHAIRMAN: You want the December items on page 3 broken down in accordance with the table on page 2?

Mr. GREEN: No. I asked that we put in one more line at the bottom of page 2 showing the respective figures as of the 31st of December, 1947.

The CHAIRMAN: That is what I thought you meant and that is what I intended to say.

The WITNESS: Mr. Chairman, the figures for December, 1947 are not available at this time; but we do have available the components of the cost-of-living index for January, 1948 and also for March, 1948, and if these are satisfactory to you I shall read them aloud.

January, 1948, total cost-of-living index, 123·8.

The CHAIRMAN: The first column on page 2.

The WITNESS: These figures can be inserted at the bottom of page 2, following the columns on page 2.

For January 1948, the total cost-of-living index, 123·8. Food index, 143·2; fuel and lighting index, 103·1; rent index, 102·1; clothing index, 114·9; home furnishings and miscellaneous index, 124·6.

The same figures for March, 1948; total cost-of-living index, 125·9. Food index, 146·1; fuel and lighting index, 103·6; rent index, 102·1;—

Mr. BENIDICKSON: Good old rent control!

The WITNESS:—clothing index, 121·1; home furnishings and miscellaneous index, 125·4.

Mr. QUELCH: When these tables are placed on the record, could these additional figures be included in the tables?

The CHAIRMAN: That was asked earlier and I understood that the figures asked for today would be included in these tables before they are included in the record. Is that correct? The secretary will get these figures from the doctor and include them.

By Hon. Mr. Gregg:

Q. Could I refer back to Mr. Brooks' question with respect to page 4, columns 1 and 2. Column 1 says "purchasing power of a pension." That is for a single man?—A. Yes, sir.

Q. And column 2 says "purchasing power of average earnings of wage and salaried workers". That would include single or married men or would you have chosen there what has been discussed this morning, a man and his wife with two children?—A. It would include both of the types to which you refer, single and married men.

Q. It would be a mixture of both?—A. Yes, sir.

Q. Then \$75 would be under column 1, a man and his wife and two children, as at today, would be \$127; and under bill 126, it would be \$149. That would make some change in these two columns, would it not, or would it?—A. The introduction of a different pension level in the calculation of column 1 would not affect column 1 at all because it is not presented in terms of dollars but rather in terms of an index which fluctuates from base year, in which 1925 equals 100. But if the column was calculated on the alternative basis of dollar amounts then, of course, the amount of the pension would affect the level of the figures.

The CHAIRMAN: I am not clear in my own mind, not as clear as perhaps I would like to be. The \$900 is presumably expended by the single pensioner for his own living; and it seems to me that in relation to the cost-of-living index, it is based on the type of commodities which the head of a family requires to get, it would show some discrepancy. For example, accommodation for rent, itself, for a single man is a less expenditure, perhaps, than it would be for a man and his wife and family; and items with respect to clothing, all the various items which go in to make up the general cost of living, there is a great difference between what is required for a single man and what is required for the head of a family. So, are those differences provided for in those tables?

The WITNESS: They are not provided for, Mr. Chairman. The only available information to be used in these calculations at the present time is the official cost-of-living index.

By the Chairman:

Q. The official cost-of-living index, which is for the heads of families?—A. Which is for the heads of families, or for the family unit, which is a different way of saying almost the same thing.

Mr. GREEN: Of course, the figures in column 2, "purchasing power of average earnings of wage and salaried workers"; we were told the other day that they included both men and women, married and single, and also boy and girl workers. So as between the purchasing power of a pension and the purchasing power of wage and salaried workers, decided on that basis, there would not be very much difference, would there?

The CHAIRMAN: Are there any further questions of these witnesses? If there are no further questions, perhaps we might excuse the witnesses and I should like, on behalf of the committee, to express our appreciation for their being here and the help they have been able to give to the committee; and in that thought I am sure the committee concurs.

The other day when we were meeting, a question arose. It is now half past twelve and it occurred to me that we might not want to launch into an examination of a particular witness, but there was a request at

our last meeting that we might receive an explanation in connection with the event which transpired relating to the regretted death of the late Dr. Bowie at some time, and the pension commission agreed to give a complete and full account off the record, for the information of the committee.

(Discussion took place off the record.)

Very well, gentlemen, we will now come back to the business which was before us, namely, a consideration of the motions which gave rise to the hearing of the evidence at our last two meetings. What is the wish of the committee with respect to that?

Mr. BROOKS: It is our decision that consideration is to be based on all the information we have been receiving, and I do not think there are many members here who have really been able to sum up all this information we have had. Frankly, I think it would be better to wait until our next meeting before we consider the motion.

You mentioned also, at the beginning of the sitting, that you wanted to have a meeting of the steering committee after this meeting was over, and it seems to me that this would be a very good time, between now and 1 o'clock, to have a meeting of the steering committee because I do not want to stay here too long after 1 o'clock because I have some other things to do.

Mr. LENNARD: I move that we adjourn.

The CHAIRMAN: I have not put the motion yet.

Mr. GREEN: We have been giving consideration in recent meetings to the schedules to the bill. I thought it was agreed that we would deal first with the schedules. That is where the basic pension arises. Then there are two other points which I think would have to be dealt with when we consider the schedules. One is the suggestion by the National Council that those who have disabilities in excess of 100 per cent should receive 50 per cent of the excess over 100 per cent. I thought that was the submission made by Colonel Baker, and that it would have to be dealt with before we are through with the schedules.

The CHAIRMAN: You are, perhaps, confusing the committee in speaking of dealing with the schedules. At the moment the steering committee felt we should conclude the discussion on the motion of Mr. Herridge and the amendment of Mr. Brooks, and that, concluding that discussion, we would then hear the remaining bodies which wish to be heard further with respect to pensions, that is, a further suggested amendment to the Pension Act.

Mr. GREEN: It would have to be an amendment to the schedule.

The CHAIRMAN: But we are not on the schedule, we are on the motion. There are, I think, four things. You, yourself, have a notice with respect to senior officers. Sufficient notice has been given that we are going to discuss recommendations with respect to 11-C, and a floor under pensions is coming up, and there is one other thing. There are four points.

Mr. GREEN: They are all amendments to sections of the Act. What I am referring to now would be an amendment to the schedule. I am just pointing out that we will have to consider those points.

The CHAIRMAN: When we come to deal with the bill itself, the steering committee has already agreed that, extraneous to the present discussion or to the proposed bill itself, the bill itself should be dealt with. When we deal with the bill, I think the only way the committee can deal with them at all is to recommend that, in the opinion of this committee, an additional amendment should be brought down to implement whatever our decision is with respect to these four things. I do not think the committee can deal with them effectively beyond expressing an opinion on the discussion of the motion of Mr. Herridge as

amended by Mr. Brooks. That is my view and that is the view of the steering committee, the view which it took, you will remember. Now, if no one else has anything.

Mr. LENNARD: I move we adjourn.

The CHAIRMAN: Mr. Melville has a statement which he wants to make.

Mr. MELVILLE: Just referring to Mr. Green's last remark, it occurred to me last night that it would help the committee if you had a statement showing exactly what the Legion's recommendation was with respect to the fractional assessment provision in the Act, and the proposal of the Legion. I have prepared a statement and it may be that it could be incorporated in today's proceedings, with your permission, Mr. Chairman.

Mr. HARRIS: What has the steering committee decided shall be the course for the next meeting?

The CHAIRMAN: The steering committee will meet as soon as we adjourn. The decision of the steering committee previously was incorporated in the report which the committee accepted, namely: That we conclude discussion of the motion of Mr. Herridge as amended by Mr. Brooks, and then hear whatever more evidence there is to be heard. Now the Legion have a supplementary recommendation, and Judge McDonough, on behalf of the National Council wishes to appear when that is done. Then, having heard them, the committee would proceed to the examination of the bill, and in considering that bill, such further recommendations as the committee desires to make will, of course, be in order.

Following that, we would proceed to the second bill. There are now four bills before us and within our terms of reference.

The steering committee decided that when we had finished with the Legion and heard from the various other bodies which desire to be heard, which the committee consented to hear—but it is in our own hands.

Mr. GREEN: I had a motion on the record in connection with the anomalies in the payment of helplessness allowances to different ranks, and when we came to them, I was going to suggest that the situation be met by the striking out of section 26 of the Pension Act all reference to rank whatever, which would leave the whole question to the discretion of the commission. I give that so that the rest of the committee can think it over and see whether or not they would agree with such a move being made, which could give the commission full discretion to set the amount. The way the Act reads now, they cannot give more than a set amount.

The CHAIRMAN: That, I take it, is notice of intention with respect to your motion which has been held over until the conclusion of the present debate.

Mr. LENNARD: Well, what about my motion.

The CHAIRMAN: I shall now put Mr. Lennard's motion that we adjourn. All those in favour? Contrary, if any? The motion to adjourn is unanimously carried. Will the steering committee wait.

The committee adjourned at 12.40 p.m. to meet again at the call of the chair.



APPENDIX "A"

STATISTICAL MEMORANDUM ON WAGES AND COST-OF-LIVING INDEX NUMBER DATA

REFERENCE LEVEL 1920=100

Prepared for the
SPECIAL COMMITTEE ON VETERANS AFFAIRS, 1947-1948

April 16, 1948.

INDEX NUMBERS OF WAGES AND LIVING COSTS, CANADA, 1919-1947

(1920=100)

Year	Wage Rates— Unskilled Factory Labour— Male	Average Earnings of Wage and Salaried Workers	Official Cost of Living
1919.....	83.6	84.5	87.0
1920.....	100.0	100.0	100.0
1921.....	88.5	94.9	89.4
1922.....	84.9	89.8	82.9
1923.....	84.4	90.9	83.0
1924.....	85.0	91.9	81.7
1925.....	86.5	91.4	82.4
1926.....	87.0	93.4	83.8
1927.....	87.2	93.6	82.5
1928.....	86.9	95.8	82.9
1929.....	87.2	97.3	83.7
1930.....	87.4	94.7	83.1
1931.....	85.1	93.5	75.0
1932.....	80.6	85.2	68.1
1933.....	78.1	77.7	64.9
1934.....	79.3	81.7	65.8
1935.....	81.3	83.9	66.1
1936.....	83.4	86.0	67.4
1937.....	8.18	91.2	69.6
1938.....	9.18	91.7	70.3
1939.....	93.6	93.6	69.8
1940.....	95.7	98.3	72.7
1941.....	105.9	106.8	76.8
1942.....	118.9	119.0	80.5
1943.....	134.1	128.4	81.5
1944.....	138.4	133.1	81.8
1945.....	140.5	133.0	82.2
1946.....	155.2	132.3	85.0
1947.....	170.7	148.9	93.2
1947 December.....	*	160.0	100.4
1948 March.....	*	163.6	103.7

* Not available.

NOTE:—Year-to-year percentage relationships of figures in this statement are the same to within a small fraction of one per cent as those for a similar set of figures submitted to the D.V.A. Parliamentary Committee by Mr. H. Marshall on April 15, 1948. Both sets of figures have been computed from the same basic records. In the present case, 1920 is taken as the reference level, whereas figures in the first statement relate to 1919 as a reference level. The following example illustrates percentage relationships of the figures related to 1919 and to 1920 reference levels.

SPECIAL COMMITTEE

INDEX NUMBERS OF AVERAGE EARNINGS OF WAGE AND SALARIED WORKERS

Reference Period	1933	1947	Increase in Index Points	Increase in Percentage
1919=100.....	91.9	176.1	84.2	$84.2 \div 91.9 = 91.6$
1920=100.....	77.7	148.9	71.2	$71.2 \div 77.7 = 91.6$

April 16, 1948.

OFFICIAL COST-OF-LIVING INDEX NUMBERS

Annual Averages, 1919-1947
(1920=100)

Year	Total Cost-of-Living Index	Food Index	Fuel and Lighting Index	Rent Index	Clothing Index	Home Furnishings and Miscellaneous Index
1919.....	87.0	87.0	83.8	87.2	81.9	91.5
1920.....	100.0	100.0	100.0	100.0	100.0	100.0
1921.....	89.4	76.8	106.6	109.3	81.2	101.9
1922.....	82.9	65.1	102.1	113.9	68.8	101.9
1923.....	83.0	65.5	101.9	116.8	67.9	101.3
1924.....	81.7	64.2	98.9	117.3	66.4	99.4
1925.....	82.4	67.1	97.7	117.3	66.2	97.4
1926.....	83.8	70.3	97.2	115.8	65.6	97.1
1927.....	82.5	69.0	95.2	114.4	64.0	96.2
1928.....	82.9	69.4	94.2	117.2	63.9	95.9
1929.....	83.7	71.1	93.7	119.6	63.6	96.1
1930.....	83.1	69.4	93.0	122.6	61.6	96.4
1931.....	75.0	54.4	91.5	119.3	53.9	94.5
1932.....	68.1	45.2	88.9	109.6	47.5	91.9
1933.....	64.9	44.8	85.3	98.5	44.0	89.8
1934.....	65.8	48.9	84.9	93.0	45.8	89.5
1935.....	66.1	49.9	83.9	93.9	46.1	89.5
1936.....	67.4	51.6	84.4	96.0	46.9	90.2
1937.....	69.6	54.5	82.3	99.6	47.9	91.9
1938.....	70.3	54.8	81.3	103.0	47.6	92.9
1939.....	69.8	53.1	84.2	103.7	47.5	92.8
1940.....	72.7	55.7	89.1	106.2	51.5	94.9
1941.....	76.8	61.3	91.8	109.3	54.8	98.4
1942.....	80.5	67.1	93.8	111.2	56.6	100.7
1943.....	81.5	69.0	93.9	111.4	56.9	101.4
1944.....	81.8	69.3	92.0	111.8	57.3	102.1
1945.....	82.2	70.2	89.0	112.0	57.6	102.6
1946.....	85.0	74.1	89.4	112.6	59.6	106.0
1947.....	93.2	84.2	96.4	116.6	67.9	113.4
1947, December.....	100.4	94.3	100.1	119.8	75.2	118.7
1948, March.....	103.7	98.1	100.7	119.8	80.2	122.2

OFFICIAL COST-OF-LIVING INDEX NUMBERS

(1947 to date by months)

1920=100

	Total Cost of Living
1947	
January	87.3
February	87.9
March	88.7
April	89.8
May	91.5
June	92.8
July	93.5
August	93.9
September	95.9
October	97.8
November	98.8
December	100.4
1948	
January	102.2
February	103.2
March	103.7

PURCHASING POWER RELATIONSHIPS, WAGES AND PENSIONS, 1920-1947
(1920 = 100)

Year	Col. 1 Purchasing power of a pension	Col. 2 Purchasing power of average earnings of wage and salaried workers	Col. 3 Purchasing power of an hour of unskilled factory labour (male)	Col. 4 Percentage of purchasing power of a pension to purchasing power of average earnings	Col. 5 Percentage of purchasing power of a pension to purchasing power of an hour of unskilled factory labour (male)
1920.....	100.0	100.0	100.0	100.0	100.0
1921.....	119.9	106.2	99.0	105.4	113.0
1922.....	120.6	108.3	102.4	111.4	117.8
1923.....	120.5	109.5	101.7	110.0	118.5
1924.....	122.4	112.5	104.0	108.8	117.6
1925.....	121.4	110.9	105.0	109.4	115.6
1926.....	119.3	111.5	103.8	107.1	114.9
1927.....	121.2	113.5	105.7	106.8	114.7
1928.....	120.6	115.6	104.8	104.4	115.1
1929.....	119.5	116.2	104.2	102.8	114.7
1930.....	120.3	114.0	105.2	105.6	114.4
1931.....	133.3	124.7	113.5	107.0	117.5
1932.....	146.8	125.1	118.4	117.4	124.1
1933.....	154.1	119.7	120.3	128.7	128.0
1934.....	152.0	124.2	120.5	122.4	126.1
1935.....	151.3	126.9	123.0	119.2	123.0
1936.....	148.4	127.6	123.7	116.3	119.9
1937.....	143.7	131.0	130.5	109.6	110.1
1938.....	142.2	130.4	132.0	109.1	107.8

SPECIAL COMMITTEE

PURCHASING POWER RELATIONSHIPS, WAGES AND PENSIONS, 1920-1947

(1920 = 100)

—Concluded

Year	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
	Purchasing power of a pension	Purchasing power of average earnings of wage and salaried workers	Purchasing power of an hour of unskilled factory labour (male)	Percentage of purchasing power of a pension to purchasing power of average earnings	Percentage of purchasing power of a pension to purchasing power of an hour of unskilled factory labour (male)
1939.....	143.3	134.1	134.1	106.8	106.8
1940.....	137.6	135.2	131.6	101.7	104.5
1941.....	130.2	139.1	137.9	93.6	94.4
1942.....	124.2	147.8	147.7	84.0	84.1
1943.....	122.7	157.5	164.5	77.9	74.6
1944.....	122.2	162.7	169.2	75.1	72.3
1945.....	121.7	161.8	170.9	75.2	71.2
1946.....	117.6	155.6	182.6	75.6	64.4
1947.....	107.3	159.8	183.2	67.2	58.6
1947, December.....	99.6	159.4	—*	62.5	—*
1948, March.....	96.4	157.8	—*	61.1	—*

* Not available.

NOTE:—"Purchasing power of a pension" is computed for each year by dividing the cost-of-living index from page 1 into the pension of \$900. The resulting series is related to a 1920 reference level.

"Purchasing power of average earnings of wage and salaried workers" is computed by dividing the cost-of-living index from page 1 into the "average earnings" series from page 1.

"Purchasing power of an hour of unskilled factory labour (male)" is computed by dividing the cost-of-living index from page 1 into the index of wage rates per hour of unskilled factory labour (male) from page 1.

"Percentage of purchasing power of a pension to purchasing power of average earnings" is computed by dividing figures in Col. 2 into corresponding figures in Col. 1 on this page.

"Percentage of purchasing power of a pension to purchasing power of an hour of unskilled factory labour (male)" is computed by dividing figures in Col. 3 into corresponding figures in Col. 1 on this page.

APPENDIX "B"

STATISTICAL MEMORANDUM ON WAGES AND COST-OF-LIVING INDEX NUMBER DATA

REFERENCE LEVEL 1925=100

Prepared for the
SPECIAL COMMITTEE on VETERANS AFFAIRS, 1947-1948

April 16, 1948.

INDEX NUMBERS OF WAGES AND LIVING COSTS, CANADA 1919-1947

(1925=100)

Year	Wage Rates— Unskilled Factory Labour— Male	Average Earnings of Wage and Salaried Workers	Official Cost of Living
1919.....	96.7	92.5	105.6
1920.....	115.7	109.4	121.3
1921.....	102.3	103.9	108.4
1922.....	98.3	98.2	100.5
1923.....	97.6	99.4	100.7
1924.....	98.4	100.6	99.2
1925.....	100.0	100.0	100.0
1926.....	100.6	102.2	101.7
1927.....	100.9	102.4	100.1
1928.....	100.5	104.8	100.6
1929.....	100.9	106.5	101.6
1930.....	101.1	103.6	100.8
1931.....	98.5	102.3	91.0
1932.....	93.2	93.2	82.7
1933.....	90.3	85.0	78.8
1934.....	91.8	89.4	79.8
1935.....	94.0	91.8	80.3
1936.....	96.5	94.1	81.8
1937.....	105.0	99.8	84.5
1938.....	107.3	100.4	85.3
1939.....	108.2	102.4	84.7
1940.....	110.7	107.6	88.2
1941.....	122.4	116.9	93.2
1942.....	137.5	130.2	97.7
1943.....	155.1	140.5	98.8
1944.....	160.1	145.7	99.3
1945.....	162.5	145.5	99.8
1946.....	179.5	144.8	103.2
1947, December.....	197.4	162.9	113.1
1948, March.....	*	175.0	121.9
	*	179.0	125.9

* Not available.

NOTE:—Year-to-year percentage relationships of figures in this statement are the same to within a small fraction of one per cent as those for a similar set of figures submitted to the D.V.A. Parliamentary Committee by Mr. H. Marshall on April 15, 1948. Both sets of figures have been computed from the same basic records. In the present case, 1925 is taken as the reference level, whereas figures in the first statement relate to 1919 as a reference level. The following example illustrates percentage relationships of the figures related to 1919 and to 1925 reference levels.

INDEX NUMBERS OF AVERAGE EARNINGS OF WAGE AND SALARIED WORKERS

Reference Period	1933	1947	Increase in Index Points	Increase in Percentage
1919=100.....	91.9	176.1	84.2	84.2÷91.9=91.6
1925=100.....	85.0	162.9	77.9	77.9÷85.0=91.6

April 16, 1948.

OFFICIAL COST-OF-LIVING INDEX NUMBERS, ANNUAL AVERAGES, 1919-1947
(1925=100)

Year	Total Cost of Living Index	Food Index	Fuel and Lighting Index	Rent Index	Clothing Index	Home Furnishings and Miscellaneous Index
1919.....	105.6	129.6	86.2	74.4	123.7	93.9
1920.....	121.3	149.0	102.9	85.3	151.0	102.6
1921.....	108.4	114.4	109.7	93.2	122.6	104.6
1922.....	100.5	96.9	105.1	97.1	103.8	104.6
1923.....	100.7	97.6	104.9	99.6	102.5	103.9
1924.....	99.2	95.6	101.8	100.0	100.4	102.0
1925.....	100.0	100.0	100.0	100.0	100.0	100.0
1926.....	101.7	104.8	100.0	98.7	99.1	99.6
1927.....	100.1	102.8	97.9	97.5	96.7	98.7
1928.....	100.6	103.4	96.9	99.9	96.6	98.4
1929.....	101.6	105.9	96.4	102.0	96.1	98.6
1930.....	100.8	103.4	95.7	104.5	93.1	99.0
1931.....	91.0	81.1	94.2	101.7	81.5	97.0
1932.....	82.7	67.4	91.4	93.4	71.7	94.3
1933.....	78.8	66.7	87.8	84.0	66.5	92.2
1934.....	79.8	72.9	87.4	79.3	69.2	91.8
1935.....	80.3	74.4	86.4	80.1	69.6	91.8
1936.....	81.8	76.9	86.9	81.9	70.8	92.6
1937.....	84.5	81.1	84.7	84.9	72.3	94.4
1938.....	85.3	81.6	83.6	87.8	71.9	95.3
1939.....	84.7	79.1	86.6	88.4	71.8	95.2
1940.....	88.2	83.0	91.7	90.5	77.8	97.4
1941.....	93.2	91.3	94.4	93.2	82.8	100.9
1942.....	97.7	100.0	96.6	94.8	85.5	103.4
1943.....	98.8	102.8	96.7	95.0	85.9	104.0
1944.....	99.3	103.2	94.7	95.3	86.6	104.8
1945.....	99.8	104.6	91.6	95.5	87.0	105.3
1946.....	103.2	110.4	92.0	96.0	90.0	108.8
1947.....	113.1	125.4	99.2	99.4	102.6	116.3
1947 December.....	121.9	140.5	103.0	102.1	113.5	121.8
1948 March.....	125.9	146.1	103.6	102.1	121.1	125.4

OFFICIAL COST-OF-LIVING INDEX NUMBERS

(1947 to date by months)
1925=100

1947	Total Cost of Living
January.....	106.0
February.....	106.7
March.....	107.6
April.....	109.0
May.....	111.1
June.....	112.6
July.....	113.4
August.....	114.0
September.....	116.4
October.....	118.7
November.....	119.9
December.....	121.9

OFFICIAL COST-OF-LIVING INDEX NUMBERS—*Cont.*

1948	Total Cost of Living
January	123·8
February	125·3
March	125·9

PURCHASING POWER RELATIONSHIPS, WAGES AND PENSIONS, 1920-1947
(1920 = 100)

Year	Col. 1 Purchasing power of a pension	Col. 2 Purchasing power of average earnings of wage and salaried workers	Col. 3 Purchasing power of an hour of unskilled factory labour (male)	Col. 4 Percentage of purchasing power of a pension to purchasing power of average earnings	Col. 5 Percentage of purchasing power of a pension to purchasing power of an hour of unskilled factory labour (male)
1920.....	82·4	90·2	95·4	91·4	86·4
1921.....	92·3	95·8	94·4	96·2	97·8
1922.....	99·5	97·7	97·8	101·8	101·7
1923.....	99·3	98·7	96·9	100·6	102·5
1924.....	100·8	101·4	99·2	99·4	101·6
1925.....	100·0	100·0	100·0	100·0	100·0
1926.....	98·3	100·5	98·9	97·8	99·4
1927.....	99·9	102·3	100·8	97·7	99·1
1928.....	99·4	104·2	99·9	95·4	99·5
1929.....	98·4	104·8	99·3	93·9	99·1
1930.....	99·2	102·8	100·3	96·5	98·9
1931.....	109·9	112·4	108·1	97·8	101·5
1932.....	120·9	112·7	112·7	107·3	107·3
1933.....	126·9	107·9	114·6	117·6	110·7
1934.....	125·3	112·0	115·0	111·9	108·9
1935.....	124·5	114·3	117·1	108·9	106·4
1936.....	122·2	115·0	118·0	106·3	103·6
1937.....	118·3	118·1	124·3	100·2	95·2
1938.....	117·2	117·7	125·8	99·6	93·2
1939.....	118·1	120·9	127·7	97·7	92·4
1940.....	113·4	122·0	125·5	92·9	90·3
1941.....	107·3	125·4	131·3	85·5	81·7
1942.....	102·4	133·3	140·7	76·8	72·7
1943.....	101·2	142·2	157·0	71·2	64·5
1944.....	100·7	146·7	161·2	68·6	62·5
1945.....	100·2	145·8	162·8	68·7	61·5
1946.....	96·9	140·3	173·9	69·1	55·7
1947.....	88·4	144·0	174·5	61·4	50·7
1947, December.....	82·0	143·6	—*	57·1	—*
1948, March.....	79·4	142·2	—*	55·8	—*

* Not available.

NOTE:—"Purchasing power of a pension" is computed for each year by dividing the cost-of-living index from page 1 into the pension of \$900. The resulting series is related to a 1925 reference level.

"Purchasing power of average earnings of wage and salaried workers" is computed by dividing the cost-of-living index from page 1 into the "average earnings" series from page 1.

"Purchasing power of an hour of unskilled factory labour (male)" is computed by dividing the cost-of-living index from page 1 into the index of wage rates per hour of unskilled factory labour (male) from page 1.

"Percentage of purchasing power of a pension to purchasing power of average earnings" is computed by dividing figures in Col. 2 into corresponding figures in Col. 1 on this page.

"Percentage of purchasing power of a pension to purchasing power of an hour of unskilled factory labour (male)" is computed by dividing figures in Col. 3 into corresponding figures in Col. 1 on this page.

APPENDIX "C"

SUPPLEMENT—PRICES AND PRICE INDEXES, JANUARY, 1948

THE DOMINION BUREAU OF STATISTICS COST-OF-LIVING INDEX

(An explanatory statement incorporating all revisions made to January 2, 1948.)

Purpose:

The Dominion Bureau of Statistics cost-of-living index measures the influence of changes in retail prices of goods and services, upon the cost of a representative urban wage-earner family budget.

Interpretation:

It should be clearly understood that the index is a measurement of price change. Many people use the term "living costs" to indicate the total cost of things they buy. Used in this sense, "living costs" may include different things from month to month and year to year, and likewise different amounts and qualities of the same things. A cost-of-living index based upon this idea would reflect the value of total purchases made by everyone. In normal times it would move closely in line with national income. The Bureau's index is based upon quite a different idea. It measures changes in the cost of a family budget which includes the same amounts of the same commodities and services for considerable periods of time; it is revised only to take account of important "long-run" changes in consumption. It is essentially an index which measures changes in prices.

Each index figure is a percentage which shows the relationship between the dollar cost of the index budget at a specified time, and the corresponding cost of the same budget in a reference period. The Bureau's reference period now is the five year interval 1935 to 1939, and the average cost of the index budget for this period is represented by 100·0. The comparable cost at January 2, 1948, was 148·3 per cent of its base period cost. This figure of 148·3 becomes the cost-of-living index for January 2, 1948.

The Index Budget:

The index budget was calculated from annual purchases reported by a group of 1,439 typical wage-earner families in the following cities: Charlotte-town, Halifax, Saint John, Quebec, Montreal, Ottawa, Toronto, London, Winnipeg, Saskatoon, Edmonton and Vancouver. These expenditures covered the year ending September, 1938.

The survey families averaged 4·6 persons and the majority had two or three children. Family earnings in many cases were supplemented by minor sources of income; total incomes for these families were heavily concentrated between \$1,200 and \$1,600. They ranged, however, from as low as \$600 up to about \$2,800 per annum. There were approximately two tenant families to every one home-owning family, and about one family in three operated a motor car. The general distribution of living expenditures for these families which represented all the principal racial groups in Canada was as follows:

URBAN WAGE-EARNER FAMILY ANNUAL LIVING EXPENDITURES

(Year ending September 30, 1938)

Budget Group	Expenditure \$	Averages	Percentage	Distribution
Food	443.0		31.3	
Shelter	269.5		19.1	
Fuel and Light	90.5		6.4	
Clothing	165.8		11.7	
Home Furnishings	125.7		8.9	
Miscellaneous	319.4		22.6	
Health		60.8		4.3
Personal Care		23.9		1.7
Transportation		79.3		5.6
Recreation		82.1		5.8
Life Insurance		73.3		5.2
Total	1,413.9*		100.0	

*Directly represented in the index. Other miscellaneous outlay brought the total family living expenditure to \$1,453.8.

Recent Changes in the Budget:

Three changes were made in the index budget during the year ending January, 1948. First, the sugar weight was increased from 3.5 to 4.8 pounds per week, after the removal of sugar rationing. Second, the ratio of houses and apartments in the rent index was changed in accordance with the proportion included in a sample of tenants surveyed in May and October of 1947 (see "Shelter" following). This sample reflected the overall distribution of types of dwelling units occupied by tenants in cities of over 30,000 population. Third, three items of electrical equipment were added to the index in November, 1947. These were radios, refrigerators, and washing machines. Their inclusion was made feasible by a steady improvement in the supply situation during 1946 and 1947, as compared to an extremely restricted supply of electrical goods during the war.

Comments on Group Index Numbers:

The index budget is divided into six expenditure groups for which separate indexes are calculated; these are foods, fuel and light, rent, clothing, home-furnishings and services, and miscellaneous items. Each group contains a list of items sufficiently large to make it representative of the merchandise field covered. It would be possible to add many more minor items without affecting the movements of the composite cost-of-living index by any significant amount. These additions would lengthen the time required to calculate the index and impose a greater burden upon firms making price reports, without improving the accuracy of the index. In many cases accuracy might be reduced, as comparisons on a quality, or specific quantity basis are not possible over a long period. This would be true of style merchandise such as women's hats. The cost of all these omitted items are included in group weights, which represent all expenditures falling within the six groups noted above. The base period food weight of 31 per cent, for example, was calculated from total food costs reported by survey families, although the food index includes only 47 items which represent about 75 per cent of a representative family's food expenditure.

Foods: Prices used in calculating food indexes are collected on the first business day of each month from approximately 1,600 stores covering independent and chain grocers and butchers. Quotations for each of the 47 budget items are averaged and then multiplied by the budget quantity for each individual item to find the cost for that item. These individual cost figures are added together to find the total cost of the food budget; this figure is then expressed as a percentage of the corresponding reference period cost to find the food index.

Fuel and Light: Separate indexes are calculated for coal, coke, gas and electricity. The two last mentioned are reckoned from monthly bills for quantities which are typical of consumption in the cities represented. The bill for each city is weighted by the number of domestic consumers in order to calculate Dominion indexes. The coal index also takes account of typical amounts consumed in different areas and of the population of each city represented in the index. Price changes for coal are related to kinds used in the greatest quantity in each area.

Shelter: Changes in shelter costs are determined by measuring the movement of rents. Two methods of calculating rents were used in 1947. First, rental agents were asked to report upon the current position of rents relative to those at the preceding lease date, as indicated by their list of rental properties. In the workmen's group of dwellings, records were collected for houses, flats, and apartments. Before reporting blanks are sent out, rent data and property descriptions reported by each agent for the last period were copied onto the new schedule in order to maintain continuity from period to period.

Second, a representative sample of tenant householders, broken down by houses and apartments, was surveyed by mail. Householders were asked to give their rent at each survey date, and at six months prior to survey date. The results were checked by a follow-up survey of personal interviews in seven cities.

For 1948, rent data will be obtained from a new series of rent surveys recently inaugurated by the Sampling Organization of the Bureau of Statistics. This material will be available for use in cost-of-living index calculations.

Clothing: The clothing index has been based upon a carefully selected list of men's and women's apparel. It includes no children's clothing, and omits some items of adult clothing which are of considerable importance, such as women's dresses for afternoon and evening wear, women's hats, men's hats and gloves. Unusual difficulties in maintaining continuous price series on the same quality of goods occur in clothing due to style and seasonal changes which must be excluded from price comparisons based upon quality. The items in the clothing index have been selected to represent the basic materials entering into clothing in approximately the same proportions as they would be found in a complete clothing budget. Some of the items chosen to represent basic materials form a comparatively small portion of a complete budget, but are useful in measuring clothing price trends because of their standard construction. Women's woollen hose afford an example of such items. The index contains 31 items of clothing, piece goods and footwear, and price series for these have been examined individually over a period of years to test their reliability. Most apparel now is composed of six basic materials, cotton, wool, rayon, nylon, leather, and rubber. The Bureau uses a clothing list of 31 items with the knowledge that a limited but accurate price series will measure the trend of clothing prices better than a large list including items which fluctuate widely in price due to style and seasonal factors. Department stores are the source of Bureau clothing prices. These distributors handle approximately one-third of the Dominion's clothing trade, and make monthly price returns to the Bureau, especially designed for the cost-of-living index.

The Bureau of Statistics is concerned not only with the accuracy of prices reported, but also with the comparative quality of goods priced from month to month. It considers a decline in quality to have the same effect upon living costs as a rise in price. Field representatives have been given special instructions and training regarding this matter, and price schedules for clothing (and homefurnishings) have been specially designed for the reporting of quality changes in addition to the recording of comparative prices. This type of reporting form has been used since the early 1930's.

Homefurnishings and Services: The homefurnishings and services index is a composite of nine sub-groups, including two sets of service costs in addition to actual furnishings. The nine sub-groups are: furniture, electrical equipment, floor coverings, textile furnishings, hardware, dishes and glassware, cleaning supplies, laundry and telephone. The complete group accounted for 9 per cent of the base period index budget cost, placing it next to clothing in importance. It is similar to clothing also in many details of construction. The data for furniture, electrical equipment, floor coverings, textile furnishings, hardware, dishes and glassware are obtained from department stores and the same principle of the representation of basic materials by a comparatively small number of items is used. There are 8 items of furniture, 3 of electrical equipment, 3 of floor coverings, 4 of textile furnishings, 5 of hardware, 2 of dishes and glassware, 4 of cleaning supplies, 3 laundry rates, and one type of telephone service.

Miscellaneous: Five sub-groups, health maintenance, personal care, transportation, recreation, and life insurance comprise the miscellaneous index. This list does not exhaust all remaining family living expenditures, but most of those which are left such as church contributions, support of dependents, etc., cannot be treated in the same way as items which are bought and sold. The index takes no account of these items which amounted to only 3 per cent of average wage-earner family living expenditures reported in the Bureau's 1938 survey.

The health section is based upon prices for 6 items of household medical supplies, 2 kinds of hospital service, 3 types of doctors' fees, and rates for 6 types of dental service. In view of the stability of fees for doctors, dentists and hospitals, these records are collected only at annual intervals, while medical supplies are priced quarterly. Records of practically all miscellaneous sub-indexes are collected from 23 of the larger cities, chosen to give adequate regional representation.

Personal care costs are represented by 7 items of toilet requirements plus fees for men's haircuts and shaves.

Three kinds of transportation are represented in the transportation sub-group: motor car, street car, and railway. The two latter present no special problems, but motor car operating costs are more difficult to measure. The Bureau's record is based upon service station prices of gasoline, licence fees, and wage rates for garage mechanics. It is assumed that depreciation is 35 per cent of operating costs, and that for car owners as a group it remains constant from year to year.

The recreation section includes records of motion picture theatre admissions, and newspaper, magazine and tobacco costs.

The life insurance index is based upon premiums for ordinary non-participating life policies, since these appear to give the closest possible approximation to the cost of pure risk. Averages of premiums for ages 20, 35 and 50 years have been used covering the records of 11 large companies.

THE COST-OF-LIVING INDEX WEIGHTING SYSTEM

There are two stages in the calculation of each of the six principal group indexes from which the composite number is calculated. In the first stage, the general procedure is to multiply current price averages by budget quantities. These products are added together and the resultant aggregate divided by a corresponding base period aggregate. This number is multiplied by 100.0 to secure a sub-group index for the current period. The index is then multiplied by a sub-group weight indicative of the cost of goods in this sub-group relative to all goods in the group. When all sub-groups have been weighted similarly, the group index is found by adding up this second set of products and dividing by 100.0. This routine is repeated to secure the final composite cost-of-living index. The second and third stages of weighting are made necessary by the fact that it is not feasible to include all items in the family budget.

The complete list of items and weights is shown following:

WEIGHTING SYSTEM OF THE DOMINION BUREAU OF STATISTICS COST-OF-LIVING INDEX

(As at January 2, 1948)

	Commo- dity Weights	Sub- Group Weight	Group Weight
	(Weekly Quantities)		
A. Food—			
1. Chain Stores.....		1	
2. Independent Stores.....		2	
Dairy Products—			
Milk.....	10.5 qts.		
Butter.....	2.8 lbs.		
Cheese, $\frac{1}{2}$ -lb. pkg.....	.8 pkgs.		
Eggs.....	1.4 doz.		
Meats and Fish—			
Sirloin Steak.....	.5 lbs.		
Round Steak.....	.9 "		
Rolled Rib Roast.....	.7 "		
Blade Roast.....	1.1 "		
Stewing Beef.....	1.0 "		
Veal.....	1.0 "		
Lamb.....	.3 "		
Pork, fresh loins.....	1.5 "		
Pork, fresh shoulder.....	1.0 "		
Bacon, rind-on.....	.7 "		
Fish.....	.8 "		
Vegetable Shortening.....	.8 "		
Lard.....	.2 "		
Cereals—			
Bread.....	12.1 "		
Flour.....	2.9 "		
Rice.....	.3 "		
Rolled Oats.....	.5 "		
Corn Flakes, 8-oz. pkg.....	1.3 pkgs.		
Dry Groceries—			
Granulated Sugar.....	4.2 lbs.		
Yellow Sugar.....	.6 "		
Tea, 1-lb. pkg.....	.8 pkgs.		
Coffee.....	.2 lbs.		
Cocoa, $\frac{1}{2}$ -lb. tin.....	.2 tins		
Salt.....	.5 lbs.		
Vegetables—			
Beans.....	.4 lbs.		
Onions.....	.8 "		
Potatoes.....	.8 pecks		
Canned Tomatoes, 2 $\frac{1}{2}$'s.....	.6 tins		
Canned Peas, 20 oz.....	.6 "		
Canned Corn, 20 oz.....	.3 "		
Cabbage.....	1.0 lbs.		
Carrots.....	1.5 "		
Turnips.....	1.0 "		
Fruits—			
Raisins.....	.2 "		
Currants.....	.1 "		
Prunes.....	.1 "		
Strawberry jam.....	.6 "		
Marmalade.....	.1 "		
Canned Peaches, 20 oz.....	.1 tins		
Corn Syrup, 2-lb. tin.....	.25 tins		
Lemons.....	.1 doz.		
Oranges.....	.7 "		
Bananas.....	1.2 lbs.		
B. RENTALS.....			19
C. FUEL AND LIGHT.....			6
Coal.....	42		
Coke.....	11		
Gas.....	14		
Electricity.....	33		

WEIGHTING SYSTEM OF THE DOMINION BUREAU OF STATISTICS COST-OF-LIVING INDEX—Continued

	Commo- dity Weights	Sub- Group Weight	Group Weight
	(Weekly Quantities) (Annual Replace- ment Allow- ances)		
D. CLOTHING.....			12
Men's Wear.....		41	
Overcoats.....	.2		
Top Coats.....	.2		
Suits.....	.8		
Sweaters.....	.4		
Overalls.....	1.0 pair		
Socks.....	9.0 pairs		
Underwear, Athletic.....	1.5 sets		
Balbriggan Combinations.....	1.0 set		
Underwear, winter.....	1.0 "		
Pyjamas.....	1.0 pair		
Shirts, work.....	1.0		
Shirts, broadcloth.....	2.5		
Trousers, work.....	.7		
Women's Wear.....			36
Top Coats, Fall and Winter.....	.3		
Top Coats, Spring.....	.2		
House Dress.....	1.5		
Slips, rayon.....	2.5		
Hosiery, rayon.....	10.0 pairs		
Hosiery, woollen mixture.....	3.0		
Pantie, rayon.....	5.0 "		
Pantie, woollen mixture.....	1.0 "		
Nightgown, cotton.....	.7		
Nightgown, rayon.....	1.6		
Piece Goods.....			4
Cotton Dress Print.....	3.0 yards		
Wool.....	.3 "		
Flannel.....	.2 "		
Celanese or Rayon Material.....	.7 "		
Flannelette.....	2.0 "		
Footwear.....			19
Men's Work Boots.....	2.0 pairs		
Men's Oxfords.....	.7 "		
Men's Rubbers.....	3.5 "		
Women's Shoes.....	2.0 "		
E. HOME FURNISHINGS AND SERVICES.....			9
Furniture.....			25
Dining Room Suite.....	.06		
Bedroom Suite.....	.06		
Kitchen Table.....	.08		
Kitchen Chairs.....	.20		
Studio Couch.....	.05		
Bed Springs.....	.05		
Mattress.....	.16		
Chesterfield Suite.....	.05		
Floor Coverings.....			7
Axminster Rug.....	.04		
Congoleum Rug.....	.15		
Linoleum (Square yards).....	1.70		
Furnishings.....			11
Sheets.....	1.0		
Towels, cotton terry.....	3.0		
Blankets, all wool.....	.5		
Table Oil Cloth (Yards).....	.4		
Electrical Equipment.....			24
Washing Machine.....	.03		
Radio.....	.15		
Refrigerator.....	.02		

WEIGHTING SYSTEM OF THE DOMINION BUREAU OF STATISTICS COST-OF-LIVING INDEX—Continued

	Commo- dity Weights	Sub- Group Weight	Group Weight
	(Annual Replace- ment Allow- ances)		
E. HOME FURNISHINGS AND SERVICES—Concluded			
Hardware.....			3
Frying pan.....	.2		
Saucepan, enamel.....	.5		
Garbage can, galvanized.....	.25		
Kitchen Broom.....	1.0		
Kitchen Pail.....	.2		
Dishes and Glassware.....			2
Set of Dishes.....	.1		
Glass Tumblers.....	2.0		
Cleaning Supplies.....			13
Laundry Soap.....	24 bars		
Soap Flakes.....	24 pkgs.		
Abrasive Cleansers.....	9 cartons		
Chloride of Lime.....	2 pkgs.		
Laundry.....			3
Sheets.....	Geometric Average		
Towels.....			
Men's Shirts.....			
Telephones.....			12
	Commo- dity Weights	Per Cent	
F. MISCELLANEOUS ITEMS.....			23
1. Health.....			17
(a) Medicines.....		23	
Aspirin Tablets, box of 12.....	1.3		
Epsom Salts, lb.....	.7		
Boracic Acid, 2 ozs.....	.3		
Tincture of Iodine, 1 oz.....	.7		
Zinc Ointment, 1 oz.....	.7		
Cod Liver Oil, large bottle.....	1.3		
(b) Hospital Charges.....		17	
Semi-Private Room.....	1		
Public Ward Bed.....	1		
(c) Doctors' Fees.....		42	
Office Consultation.....	Geometric Average		
Ordinary Day Visit.....			
Ordinary Confinement.....			
(d) Dentists' Fees.....	18		
Amalgam Filling.....	Geometric Average		
Porcelain Filling.....			
Gold Filling.....			
Upper and Lower Dentures.....			
Ordinary Extraction.....			
Prophyllaxis.....			
2. Personal Care.....		9	
(a) Personal Cleaning Supplies.....	58		
Talcum Powder, tins.....	1.3		
Tooth Paste, tubes.....	21.7		
Tooth Brushes.....	8.7		
Shaving Sticks.....	2.2		
Toilet Soap, bars.....	52.2		
Vaseline, jars.....	1.3		
Razor Blades, packages of 5.....	13.1		
(b) Barbers' Fees.....	Ratio	42	
Haircut (Men's).....	5		
Shave.....	2		

WEIGHTING SYSTEM OF THE DOMINION BUREAU OF STATISTICS COST-OF-LIVING
INDEX--*Concluded*

	Com- modity Weights	Per Cent	Sub- Group Weight	Group Weight
F. MISCELLANEOUS ITEMS-- <i>Concluded</i>				
3. Transportation.....	(Percent- ages)		26	
(a) Motor Operating Costs.....		67		
Gasoline.....	42			
Repairs and Maintenance.....	9			
Licences.....	8			
Depreciation.....	35			
Tires.....	6			
(b) Rail Fares.....		4		
(c) Street Car Fares.....		29		
4. Recreation.....			26	
(a) Theatre Admission.....		23		
(b) Newspaper Costs.....		22		
(c) Magazine Costs.....		4		
(d) Tobacco Costs.....		51		
Cigars.....	} Geometric Average			
Cigarettes.....				
Cut Tobacco...				
5. Life Insurance.....			22	

APPENDIX "D"

OTTAWA, April 20, 1948.

THE SPECIAL COMMITTEE ON VETERANS AFFAIRS

The Canadian Legion, in the brief presented to the Committee on 15th March, 1948, recommended as follows, see page 12 of the Minutes:

5. Fractional Assessments

That Schedule "A" be amended to provide progressions of 5 per cent, except where disability is considered to be sufficiently compensated by gratuity.

The submission goes on to state,—“The present practice is to assess pensions in such fractions as 22, 23, 26, 27, 28 and 29 per cent, and pension is paid at the lowest figure between ranges of 5 per cent.”

I have stated that pension is never assessed at a percentage less than 5, and that the fractional amounts mentioned occur in aggravation cases only.

When the assessment is 5 per cent or more, the assessment is always in multiples of 5.

A pensioner may have a disability assessed at 45 per cent, but he only holds entitlement to an aggravation of three-fifths, which is 27 per cent.

A reference to Schedule "A" of the Pension Act will show the reason for the Legion's recommendation.

A Class 11 pension, 54 per cent to 50 per cent, paid at 50 per cent.

A Class 12 pension, 49 per cent to 45 per cent, paid at 45 per cent.

Example

G.S.W. right forearm assessed 25 per cent

Varicose Veins, pensionable aggravation $3/5$ (total 40 per cent) 24 per cent

Total pensionable assessment 49 per cent

The Legion recommended,—

Class 11 pension, 52 per cent to 48 per cent, paid at 50 per cent.

Class 12 pension, 47 per cent to 43 per cent, paid at 45 per cent.

The pension Act today:—

<u>Class 11</u>
54
53
52
51
50
50%

The Legion recommendation:—

<u>Class 11</u>
52
51
49
50
50%

<u>Class 12</u>
49
48
47
46
45
45%

<u>Class 12</u>
47
46
44
45
45%

Difficult to estimate cost.

Estimated immediate increase in annual liability, \$250,000.

J. L. MELVILLE,
Chairman, Cdn. Pension Comm.

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(SESSION 1947-48
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 9

THURSDAY, APRIL 22, 1948

WITNESSES:

- Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission;
- Mr. W. S. Woods, Deputy Minister, Mr. George Derby, Western Regional Administrator, and Mr. E. J. Rider, Research Adviser, Department of Veterans Affairs;
- Dr. C. M. Isbister, Assistant Dominion Statistician, Mr. H. F. Greenway and Miss M. E. K. Roughsedge, of the Dominion Bureau of Statistics;
- Mr. R. M. Cram, Department of Labour;
- Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the British Empire Service League.

ERRATA:

Minutes of Proceedings and Evidence No. 7, Friday, April 16, 1948:

Page 236, line 10,—The figure 247 should read 279.

Page 241, line 3,—Delete the word *and* after the word *child*.

Page 241, line 4,—Insert between the words *per year*, and *for the third* the words *for the second child from \$144 to \$168, and*.

Page 243, line 3,—Delete the words *£402 per annum* and substitute therefor *\$470.00 per annum, with the pound at \$4.02*.

MINUTES OF PROCEEDINGS

THURSDAY, April 22, 1948.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Belzile, Bentley, Blair, Blanchette, Brooks, Croll, Cruickshank, Dickey, Dion, Emmerson, Fulton, Gauthier (*Portneuf*), Gregg, Green, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Marshall, Mutch, Pearkes, Quelch, Ross (*Souris*), Skey, Viau, White (*Hastings-Peterborough*), Winkler.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, Mr. George Derby, Western Regional Administrator, and Mr. E. J. Rider, Research Adviser, Department of Veterans Affairs; Dr. C. M. Isbister, Assistant Dominion Statistician, Mr. H. F. Greenway and Miss M. E. K. Roughsedge, of the Dominion Bureau of Statistics; Mr. R. M. Cram, Department of Labour; Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.

The Chairman presented a report of the Steering Committee, which reads as follows:

Your Steering Committee met on Tuesday, April 20 and recommends:

1. That representatives of the Canadian Legion and of the National Council of Veterans Associations in Canada be given an opportunity to make further representations in respect to disability pensions on Thursday, April 25.

2. That the Committee grant hearings only to representatives of national organizations and not to individuals or representatives of local groups.

The report of the Steering Committee was concurred in.

Mr. Greenway was recalled, furnished information requested at the last meeting, was questioned, and retired.

Mr. Herwig was recalled, heard, and questioned.

The Hon. Mr. Gregg made a statement respecting permissible earnings of student veterans.

Mr. Herwig retired.

At 1 o'clock p.m. the Committee adjourned until Friday, April 23, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 22, 1948.

The Special Committee on Veterans' Affairs met this day at 11 a.m. The Chairman, Mr. A. L. Mutch, presided.

The CHAIRMAN: Gentlemen, in spite of my good resolution, it will be necessary this morning to make a few comments to the committee, if my voice holds out. Your steering committee met in accordance with notice after the last meeting and unanimously decided that at this meeting, after having an opportunity to check the figures with the representatives from the Bureau of Statistics, we would proceed to dispose of the motions and then hear the remaining evidence on the Pensions Act and proceed to that bill.

However, a situation arose yesterday afternoon. The acting chairman of the National Council of Veterans phoned me at three o'clock yesterday and indicated that their man, Mr. Wiggins, from Moose Jaw was on the way to Ottawa. Evidently, tentative arrangements were made with my predecessor, Mr. Tucker, that they could have a chance to make a further statement. The chairman felt that the responsibility for varying the proceedings recommended by the steering committee was too great, so I contacted, informally, most of the members of the steering committee in the last twenty minutes before six o'clock. They concurred with me that our recommendation which was to the effect that representatives of the Canadian Legion and the National Council of Veterans be given an opportunity—I am sorry, that is wrong.

The original recommendation was that we proceed today as I indicated. In the light of that informal agreement, your steering committee reports as follows:

That representatives of the Canadian Legion and National Council be given an opportunity to make further representations in respect to disability pensions on Thursday, the 22nd.

Since it is impossible for the National Council to be here today, that was amended by concurrence, and we will hear them tomorrow

that the committee grant hearings only to representatives of national organizations, not to individuals or representatives of local groups.

Gentlemen, I assume you concur in that recommendation. If there are any objections, now is the time to make them.

The steering committee had, then, to arrange a different agenda for today. We had already asked the officials from the Bureau of Statistics and the Department of Labour to be here; some of the committee members had asked that they be here, and you may proceed with any further questioning of them. We also have representatives of the Canadian Legion who, I understand, are prepared to make further representations today. Therefore, that will be the order of business, subject to the concurrence of the committee.

Mr. CROLL: I suggest we hear the Legion now. You have said they are ready to make further representations.

The CHAIRMAN: They are here, but there is just this point. We have asked Dr. Isbister and the others to come back. There is some material which they are to furnish and, having concluded with that, the proposal is that we hear Mr. Herwig.

Mr. LENNARD: They should not be kept here all morning.

The CHAIRMAN: Yes, that is the procedure. There were some additions to be made to the tables. The secretary says, in accordance with the request of the committee, that the additions requested, I think by Mr. Green and others, will be published as an appendix to Tuesday's minutes. The figures are here and can be given. I will read them now, if you desire it.

Mr. GREEN: If this point is to be settled tomorrow, there is not much use getting the figures a week from tomorrow.

The CHAIRMAN: There are not many figures, Mr. Green. They are additions to the tables which we had before us. Those figures can be given now.

(At this point Mr. Greenway was called to give the additional figures which will be found in appendices "A" and "B" to the minutes of April 20).

Mr. PEARKES: May I ask a question? Is there any appreciable difference in the various parts of Canada—I presume those are average figures, for the whole of Canada?

Mr. GREENWAY: Yes, sir.

Mr. PEARKES: Would there be any appreciable difference between either the average scale of wages or the average cost of living in the various parts of Canada.

Mr. GREENWAY: In terms of those percentages, relative, I would say no. If you were talking in terms of dollars and cents, that is another question. There might be differences. We do not have the material this morning to give you the answer.

The CHAIRMAN: Then, as I understand it, those are the additional figures for which you asked. We have with us, of course, Dr. Isbister, Mr. Rider and others who were previously questioned. These gentlemen will be here and you have an opportunity of asking them questions if you desire to do so.

Mr. CRUICKSHANK: May I ask a question. Before the Easter recess, your predecessor said if we made a certain suggestion with regard to helplessness, the government might consider it. The government did. I would now ask, when are we going to have the motion put? What is it all about?

The CHAIRMAN: Mr. Cruickshank, I reported at the opening of the meeting, perhaps you did not hear it, the steering committee had agreed and recommended that we proceed with the vote today, having concluded the evidence. A request came in yesterday afternoon from the National Council of Veterans in Toronto that they desired to make a further submission tomorrow morning. They are bringing Mr. Wiggins from Moose Jaw and two others to appear before us. I consulted with the steering committee informally yesterday afternoon and it was agreed and recommended at the opening of this meeting that we defer the vote until we have an opportunity of hearing the further submission tomorrow morning.

Mr. CRUICKSHANK: In other words, we are just stalling.

The CHAIRMAN: Yes, I suppose so. At any rate, we are extending the courtesy of a second hearing to them.

Mr. CRUICKSHANK: There is a motion before the committee and I am asking that the motion be put. As a member of this committee I am entitled to ask that the motion be put.

Mr. McKAY: I agree with the honourable member with regard to this matter. There are representations to be made this morning by these two groups. I think we should hear those groups before the motion is put. I feel, with all deference, that we have not done very much so far. It has just been another course in economics. I have been through these statistics before. I think we are just stalling. As a matter of fact, this has not changed my opinion one little bit as to what the pension should be. I do not think it has influenced the opinion

of any member of the committee. I feel we all came down here for the express purpose of getting some work done and we are all willing to get some work done. My suggestion is that, after we hear these people, we have the vote.

Mr. QUELCH: I understand these two members were not here at the opening, otherwise they would have heard—

Mr. McKAY: I was here.

Mr. QUELCH: It was agreed upon by the committee, and we are surely not going to go back upon our decision now.

The CHAIRMAN: There is no closure procedure in this committee. There is no such thing as moving the previous question. I do not consider it is my duty to direct the committee, but to be a servant of the committee. You unanimously accepted the recommendation of the steering committee to hear these submissions and defer this matter of a vote until we had heard these submissions from the National Council. My own opinion as to the necessity of that is of no importance at the moment. I put the position to the committee at the opening and you agreed to it. We are not wasting time.

Mr. LENNARD: We are wasting time now.

The CHAIRMAN: We have further submissions to hear if you have finished with these witnesses.

Mr. CRUICKSHANK: I apologize to Mr. Quelch for not being here, but if the vote is going to be taken to-day, I am satisfied.

The CHAIRMAN: The committee just agreed that it would not be. The committee may do as it wishes about it.

Mr. QUELCH: I do not think Mr. Cruickshank understands the point. The National Council of Veterans organization has made a special plea and request that we defer the vote until that organization has had an opportunity of making another presentation. A member of that organization is on the train coming to Ottawa from Moose Jaw. He cannot be here until tomorrow. It is a special request that we defer the vote until tomorrow to give the organization an opportunity of making representations. It was on that ground and that ground alone that we agreed to hold off the vote until tomorrow.

Mr. McKAY: That is quite different.

Mr. CRUICKSHANK: Mr. Chairman, I have every confidence in Mr. Quelch.

Mr. HARRIS: And all of us.

Mr. CRUICKSHANK: I am only expressing my own opinion, but I still think we are stalling around about this. We have had charts and charts; nobody knows anything about them. Personally, I want the vote.

Mr. BROOKS: That is what I said a week ago.

Mr. CRUICKSHANK: Let us have the vote, one way or the other.

Mr. BENTLEY: I think it would be a distinct discourtesy to the National Council if we went back on the decision of the steering committee. The National Council has asked for this special hearing. The organization represents a large body of veterans. I do not believe even Mr. Cruickshank would want to take a vote to-day when he knows representatives from that organization are going to be here tomorrow. If those representatives came and found that we had made a final decision without hearing from them, it would not look very well. I do not believe you would want to do it.

Mr. CRUICKSHANK: For the first time, I will bow. If we are stalling again, I will wait.

Mr. McKAY: It is very difficult, sometimes, for us at this end of the room to hear. There is an echo. I was here at the opening and I was under the impression these representations were to be made today. I see some Legion

representatives here and I understood they were ready to give this report. If they are not coming until tomorrow I am quite prepared to defer this suggested motion until after they are heard.

The CHAIRMAN: If that closes that part of the discussion, I will try to speak more loudly. I did say the Legion representatives were here, but I did not say the Council was here. If the committee has no further questions to ask of these witnesses I will, with your permission, release them. Are there any further questions of the witnesses who furnished the statistical material we now have?

Mr. PEARKES: There is only one point I wish to raise. I think the information we have received today is most valuable. Bringing these figures up to date has been most helpful. I think we were fully justified in waiting for them.

The CHAIRMAN: Are there any further questions of these witnesses?

Mr. HARRIS: I have one which has to do with 1925.

The CHAIRMAN: Order, please.

Mr. HARRIS: On the 1924 sheet, page 4, column 3, we were given the figure the other day of 157·3. I see that has been changed to 174·5 as being the 1947 average. I do not know very much about this business, but I take that column to mean that the hourly pay of an unskilled factory labourer, male, in 1947 would buy three-quarters more, roughly, than what it did in 1925. Is that the conclusion from that column?

Mr. ISBISTER: That is correct, sir.

The CHAIRMAN: Are there any further questions, gentlemen?

Mr. CRUICKSHANK: I should like to ask one question so that I will be clear. The vote will be taken tomorrow?

The CHAIRMAN: That, Mr. Cruickshank, is entirely in the hands of the committee. I cannot say it will or it will not be. It will be taken when the majority of the committee are ready, when the last member of the committee has finished discussing it. We have no closure. I have no divine authority to ordain when it shall be taken. As far as the chair is concerned the vote can be taken any time from now on when the committee concurs.

Mr. CRUICKSHANK: Then we do not have to wait for any other committees or recommendations. As far as I understand we will have the vote tomorrow?

The CHAIRMAN: That, Mr. Cruickshank, is in your hands as much as anybody else's. If the committee is through with these men I will release the witnesses. Thank you on behalf of the committee for the contribution you have made to our deliberations, and for the information which you have furnished. Gentlemen, we have with us Mr. Herwig, who is well known to you as the representative of the Legion. I believe he has others with him. With your permission I will ask him to come forward and make whatever further statements on the pension legislation it is his desire to make as secretary of the Legion. He, of course, will be glad to answer any questions.

J. C. G. Herwig, General Secretary, Canadian Legion of the British Empire Service League, called.

The WITNESS: Mr. Chairman and gentlemen, I am not going to take up very much of your time unless you ask a lot of questions. First of all I should like to thank the committee for accepting our proposal regarding helplessness allowance.

The CHAIRMAN: We did better than you asked.

The WITNESS: I know you did. On the question of rates I am not going to say very much except that perhaps our friends, the statisticians, seem to us to be

helping our case rather than otherwise. We feel that our 25 per cent increase is justified more or less by what they have presented. That is all I am going to say about that just now.

You have probably all read our other recommendations by now. The first one had to do with stabilization of pensions of World War I veterans. I do not need to read this again?

The CHAIRMAN: At your discretion; do as you like.

The WITNESS: Perhaps I had better.

That the Pension Act be amended so as to stabilize the pensions of World War I pensioners, but permitting upward revision of pensions in cases where the disability has progressed by an extension of the automatic increase principle.

The average age of the pensioner of World War I is 59. At this age the chance of a pensionable disability improving to any appreciable degree is most unlikely. Cutting pensions at this age is not an economy and gives rise to great discontent and feelings of injustice. The principle of granting automatic increases with advancing age has already been established in the case of pensioners suffering from gunshot wounds. The same principle should now be applied to all World War I pensioners and thus bring to an end a discrimination that is felt to be unjust.

In further support of that I should like to add that with the World War I veteran now having reached the approximate age of 60, his income from pension is a very definite part of his livelihood, and to monkey with it at such an age causes hardship. It is true that the Pension Commission adopted a policy some years ago in dealing with disease cases. I am referring now almost entirely to disease cases because the pensioners from wounds are pretty well taken care of. However, there are quite a number whose pensions are being cut. It may not seem very large when the figures are examined, but when you cut one man's pension in a locality where he is well known and no good reason is given for it it creates a great disturbance. Those are the things we have to deal with. We feel it would be much wiser to stabilize the pensions and only increase them if the condition warrants an increase.

By Mr. Green:

Q. What section of the Act would have to be amended to meet your suggestion, Mr. Herwig?—A. I do not think it necessarily means a change in the Act. I think that can be done the same way we dealt with the wound cases. It is a policy. The automatic increase, as it is called, is more or less a policy.

By Mr. Quelch:

Q. There is a question I should like to ask in view of the evidence which has been given us that at times it becomes necessary to give hospitalization to a veteran of World War I on account of a certain condition that may have occurred, and that after the veteran is released from hospital it is often the case his pension is temporarily increased to take care of the pensioner until he regains his strength. There is a danger there, I presume, if we place a floor under the pensions that it might discourage the Pension Commission from giving that temporary increase because when the increase was made it would become permanent. Therefore would you not favour that the policy be that the pension of the veteran of World War I not be reduced provided the pensioner has been paid for a period of, we will say, two years, in order to ensure that it will not discourage the Pension Commission from giving a temporary increase until the pensioner has recovered from a period of hospitalization?

The CHAIRMAN: For clarification, may I ask you when you fixed two years were you thinking specifically of the T.B. case who suffers from a flare-up, and who is an automatic 100 per cent for two years afterwards? Is that what you are getting at?

Mr. QUELCH: Yes.

The CHAIRMAN: I should think it would be necessary, to be absolutely certain that the recommendation you make was followed, that it should be three years, or in excess of two years. Two years and one day would do it, but in excess of two years.

Mr. QUELCH: Yes. I was giving a figure. I am not saying that figure would be the right one, but that we should provide a period there. We should say, "Provided the pension has been paid for a specified length of time." I suggest two years. It might be advisable to make it three years. I think you would have to put the time in there in order to ensure that adopting such a policy will not actually penalize the veterans by denying them a temporary increase in pension.

The WITNESS: In answer to that I think when the commission examine a man and decide his condition has improved then under the ordinary procedure his pension would be reduced. We are asking that that not be done in the case of the older men. If the condition has shown deterioration the pension would be increased and there would be no necessity for any interim period.

Mr. QUELCH: The only thing is if after hospitalization and after a period of a year or two the man's condition became the same as it was before hospitalization then, of course, there would be no justification for the continuation of that temporary increase in the pension, but if a floor were placed in there it might actually deter the Pension Commission from giving that temporary increase because by so doing it would become a permanent increase, and it might actually result in the veteran being penalized because of that.

Mr. GREEN: They should not be influenced by that consideration.

Mr. WOODS: I wonder if Mr. Quelch is referring to the out-patient treatment we give a veteran when he leaves hospital. When he leaves hospital if he is not ready to resume work we can either put him through a health and occupational centre to harden him up or else put him on out-patient allowances until he is hardened up enough to resume work. The out-patient allowances are treatment allowances, and they have nothing to do with pensions. It is not an interim pension. It is a continuation of his hospital allowances.

Mr. QUELCH: Then I should like to ask a question of the Pension Commission. Has it been the custom at any time to give temporary increases in pension after a man has had hospitalization?

Mr. MELVILLE: There are definitely cases of men who have been in hospital who have received treatment and who on discharge from active hospital treatment have been on out-patient strength for a certain length of time, and who on discharge from that period of out-patient treatment may not be able to fully engage in an occupation. The commission has given consideration. That is why in a great many of the awards for World War II you will see adjustments have been made.

Mr. Chairman, while I am on my feet may I answer Mr. Green's question when he asked where is the provision in the Act to deal with the situation? Section 24 of the Act is the one where you will notice the heading "pensions for disabilities". With reference to the particular discussion of the moment it is governed by the provisions of section 25 of the Pension Act. Section 25 (1) reads:

Temporary pensions subject from time to time to review and medical re-examination shall be awarded or continued as long as the disability remains changeable in extent.

Subsection (2) of the same section reads:

Permanent pensions shall be awarded, or pensions shall be continued permanently, whenever the disability is, or becomes, apparently permanent in extent: Provided that if it subsequently appears that such a disability has changed in extent the pension shall be adjusted accordingly.

Mr. GREEN: That brings out the point that was worrying me. Mr. Herwig says that in order to implement the recommendation of the Legion there need not be any amendment to the Act. I am not so sure he is right. I think he is wrong because section 24, subsection (1), which is basic in determining what the pension will be, says:

Subject to the provisions of section 11, pensions for disabilities shall, except as provided in subsection 3 of this section, be awarded or continued in accordance with the extent of the disability resulting from injury or disease or aggravation thereof as the case may be, of the applicant or pensioner.

I think that would be construed to mean that the veteran could only get a pension in accordance with his disability, and if his disability decreased then his pension would be decreased. Section 25 is the same. Subsection (1) reads:

Temporary pensions subject from time to time to review and medical re-examination shall be awarded or continued as long as the disability remains changeable in extent.

Then as to permanent pensions, subsection (2) reads:

Permanent pensions shall be awarded, or pensions shall be continued permanently, whenever the disability is, or becomes, apparently permanent in extent: Provided—

and I point out this is the proviso right in the Act—

—that if it subsequently appears that such a disability has changed in extent the pension shall be adjusted accordingly.

I think under the Act, as it stands now, there is not any provision at all for putting a floor under the pension. If the Legion recommendation is to be accepted I think we will have to consider the wording of some further proviso, probably one under section 24. There is a proviso now in subsection (4) of section 24 which reads:

No deduction shall be made from the pension of any member of the forces owing to his having undertaken work or perfected himself in some form of industry.

If we are agreed there should be no reduction of pension of the man who served in the first war I think we would have to write in a further subsection to section 24, or under section 25, making that stipulation. Brigadier Melville did say the other day on page 67 of the proceedings—he was dealing with this point, and by the way Mr. Tucker raised it at page 18, and I think set it out very fairly on page 18—

Mr. BROOKS: In that connection how about gun-shot wounds being stabilized?

Mr. GREEN: They are increased automatically by the Pension Commission without any legislation.

Mr. BROOK: Under what section is that?

The CHAIRMAN: That simply requires the passage of time. It is automatic.

Mr. BROOKS: Why could not the other be done the same way?

The CHAIRMAN: That is a possibility.

Mr. GREEN: Brigadier Melville said on page 67:

Generally speaking, it is the intention of the commission that, in the future, periodical examinations should be eliminated except in those cases where there is a substantial probability that there has been an increase in the disability, and that, therefore, the soldier might be entitled to more pension as a result of a further examination.

I point out he says "generally speaking". I think perhaps the intention of the commission is to go slow on this business of reducing pensions, but there is no guarantee they are not going to be reduced. I suggest to Mr. Herwig if his recommendation is to be adopted he should be pressing for an amendment to the Act to make it absolutely clear what position the Pension Commission must take. Otherwise they have to fall back on the Act, and the Act certainly does not give them the necessary leeway.

The CHAIRMAN: I think Mr. Herwig knows his submission is in friendly hands, and he is relying on the committee to decide as to the procedure. Brigadier Melville, do you wish to say something on that?

Mr. GREEN: I do not think the committee should be misled. I do not use that word offensively. We should not be misled by the suggestion that the commission will look after this in the course of its administration.

The CHAIRMAN: Your point is it will be the responsibility of the committee, if we accept the recommendation, to see that it is made effective in the Act.

Mr. GREEN: That is right.

The CHAIRMAN: I am going to suggest to the committee as a matter of courtesy and time saving that we allow Mr. Herwig to complete his representations and then question him afterwards. He says his submission is brief. I suggest to the committee that we refrain from questions now until he has concluded. However, I believe a point has arisen which Mr. Melville might answer now and then we will ask Mr. Herwig to proceed.

Hon. Mr. GREGG: May I have the unanimous consent of the committee to touch upon a matter? I have to go to a cabinet meeting in a few minutes. I should like to take this matter up for a moment. It is not related to pensions. It is a matter affecting student veterans.

The CHAIRMAN: I think we always have time to hear good news.

Hon. Mr. GREGG: Mr. Chairman, the reason I bring this matter up this morning is that the students at universities in the next ten days or two weeks will be breaking off for the summer, making their plans for the summer, and some of them will be deciding as to whether they can come back in the autumn. I think all members of the committee know that the departmental officials and myself particularly lately have taken under consideration the matter of the permissive earnings of \$75 for a man and \$75 for the wife. It is our intention to inform our regional offices and the universities that starting in the fall that is to be eliminated. We feel that the university authorities and the students themselves should know that in advance so as to obviate the possibility of any student refraining from coming back, if he can come back, under those circumstances. I should like to make that announcement to this committee before it is made to the universities, which we propose to do right away.

Mr. MELVILLE: The observation I wished to make, gentlemen, was to keep the record up to date. Mr. Green quoted from some previous remarks of mine. That was a quotation from an instruction issued by the Canadian Pension Commission on the 12th of February, 1936, dealing with the policy of stabilization.

The WITNESS: I want to make it quite clear we are speaking only on behalf of World War I veterans and not World War II veterans, in our stabilization proposal. I do not think I need to add any more on that just now. I will proceed with the next one.

It is the elimination of exceptions under section II (c). The recommendation is that pension shall be paid for the entire disability of any man or woman who served in an actual theatre of war except only if it was obvious at the time of enlistment. Section II (c) has been one of the most contentious since the termination of World War I. The principle of payment for the entire disability is established in the Act but is modified by the following exceptions, in which case pensions are paid only for aggravations: (a) if the disability is wilfully or deliberately concealed at time of enlistment. (b) disability obvious on enlistment; and (c) disability recorded on medical examination prior to enlistment.

The Legion recommends the elimination of exceptions (a) and (c). The effort was made to soften the effect of (a) by adding the word "deliberately" in 1946 in order to give the Canadian Pension Commission wider powers in adjudication. The Legion, however, still believes that in the case of men who served in an actual theatre of war this exception should be entirely eliminated.

Exception (c) was even more contentious because even the most insignificant admissions by the pensioner at the time of enlistment have been interpreted to establish a pre-war disability.

We would ask that the committee recommend elimination of these exceptions which, in effect, destroy the principle of the section frequently on premises that cannot be accurately or credibly established.

I wrote a letter to Mr. Tucker elaborating further these proposals. Perhaps I might read that into the record.

In view of the evident desire of the Government to proceed with the Pension Bill as quickly as possible, I feel that some amplification of the evidence given in connection with Legion proposals respecting Section 11 (c) of the Pension Act should be developed so that a clearer picture of what we propose may be gained. It is difficult to discuss these matters without reference to individual cases, but many cases exist which indicate that pensions for the entire disability are being denied contrary to the spirit of this Section.

It must now be clear that records existing even several years prior to examination for enlistment, if not disclosed, lay the veteran open to a charge of wilful concealment even if the record shows him to have been healed of his condition. On the other hand, if the charge of wilful concealment is not made, the fact that there was a record prior to enlistment is still accepted as evidence of a pre-war condition, even if that evidence indicates that the patient was cured.

Wilful concealment is being interpreted as a failure to disclose some early childhood complaint or event which the veteran may not recall but may have been informed of by his mother. It is incredible to a layman that a disability occurring during war can be related to a childhood complaint of unknown or unestablished diagnosis or degree of severity, without some supporting medical evidence equally as conclusive as is required to establish a claim.

I enclose details of five cases taken from our files which illustrates the effect of the exceptions we object to, as they are now included in the Act. These are submitted for study by the Committee. We believe that the wording of this Section should be changed so that such interpretations cannot be made nor such presumptive conclusions drawn to the disadvantage of the pensioner on such flimsy evidence. The definition of obvious in the Act is so drawn as to indicate that the pre-war condition must be apparent to the unskilled observer on examination. We

believe that the interpretation of wilfully and deliberately concealed or of such unsupported admissions of a pre-war condition should be equally as credible to a layman. In none of the cases we enclose would a layman agree that the veteran had wilfully and deliberately concealed his disability or that any disability existed prior to enlistment because of such admissions.

With regard to records on medical examination prior to enlistment, the same observation applies. Recorded admissions by the veteran, unsupported by medical evidence, should not be regarded as records for the purpose of this Section. The Pension Commission will accept unsupported medical opinion based on such admissions, but will not accept a claimant's statement unless conclusively supported by medical records compiled during service. Equally conclusive evidence should be required to deny entitlement to pension for the entire disability on this count.

It is the Legion's firm belief that the intention of this Section is not being carried out in a large number of cases and that the words deliberately and wilfully concealed should be eliminated. Our objection to the present wording regarding records prior to enlistment might be overcome if it read—or was found to exist and was diagnosed and recorded at the time of examination for enlistment.

Mr. BLAIR: Would you read the section about "obvious" again?

The WITNESS:

The definition of obvious in the Act is so drawn as to indicate that the pre-war condition must be apparent to the unskilled observer on examination. We believe that the interpretation of wilfully and deliberately concealed or of such unsupported admissions of a pre-war condition should be equally as credible to a layman. In none of the cases we enclose would a layman agree that the veteran had wilfully and deliberately concealed his disability or that any disability existed prior to enlistment because of such admissions.

I think the cases perhaps should go into the record as well.

The CHAIRMAN: I am in the hands of the committee. Do these cases have the names and numbers on them?

The WITNESS: Yes.

The CHAIRMAN: I think it has been the practice of the committee in filing specific cases not to disclose the name of the individual. With that reservation I would be willing to accept a suggestion from the committee that these cases be printed as an appendix to today's proceedings. I do ask for your concurrence in the withholding of the names and regimental identification of the individuals themselves.

Mr. BLAIR: We have his assurance these are actual cases.

Mr. GREEN: I think perhaps Mr. Herwig should read them because in each case he has comments on the particular case, and it is a part of his argument.

The CHAIRMAN: I am in the hands of the committee.

Mr. GREEN: If it is put in the back of the proceedings nobody is ever going to read it.

The CHAIRMAN: If the committee prefers I am sure that Mr. Herwig will be glad to do so, with that reservation.

Mr. BLAIR: I should like to hear these cases.

The CHAIRMAN: The chair will assume the responsibility they are genuine because Mr. Herwig will read them without names and numbers.

The WITNESS: Would you like the number?

The CHAIRMAN: No, just the case.

The WITNESS:

Case 1—Wilfully concealed—aggravated during service. Service History: enlisted—August 6, 1940; discharged—19th September, 1944; service—Canada, United States and Sicily. Overseas from the 21st of March, 1943, to the 5th July, 1944.

Service Medical History.—In December of 1944, he was hospitalized for influenza. In March of 1944, he was under investigation with respect to chest complaints and X-ray revealed accentuation of bronchovascular markings. At that time a specialist stated that a diagnosis of bronchitis would have to be made on the history given.

The history states that he developed a bad cold in the invasion of Sicily and this has continued since.

Decision of Commission.—23-12-44.

Reasons.—During service a diagnosis was made of sinusitis. It is stated that he suffered from this condition nearly all his life. Reports would not indicate that it was any worse at the time of discharge than prior to enlistment.

Diagnosis was also made of bronchitis. He has recently been examined and disability due to bronchitis assessed at 10 per cent. There is a history of repeated chest colds prior to enlistment. Reports would not indicate that this condition was any worse at time of discharge than prior to service.

The commission rules—

1. Bronchitis and (2) Sinusitis, pre-enlistment conditions, not aggravated during service.

Following this decision the Canadian Legion referred the claim once more to the commission for a renewal hearing and submitted evidence provided by the man.

In March, 1945, the commission ruled—

1. Bronchitis pre-enlistment, wilfully concealed on enlistment aggravated during service in a theatre of actual war, two-fifths, award effective date of discharge.

2. Sinusitis—pre-enlistment condition, not aggravated during service.

Reasons.—This is an initial hearing under the new procedure. Additional evidence includes communications from the applicant in which he contends that both conditions were aggravated during service. There is also a letter from the Canadian Legion. The applicant admits having had an obstruction in his nose in the pre-enlistment period.

The commission has carefully reviewed the additional material and also the complete record. It finds that the condition of chronic bronchitis progressed during service. There is no evidence that the sinusitis was any worse at the time of discharge than prior to enlistment.

Mr. GREEN: These are the Legion's comments?

The WITNESS: Yes.

Comments.—During this man's treatment on service, it is stated he gave a history to medical officers of a stuffing of his nose ever since he had been a child. In January of 1945, in a letter to the commission, he elaborated and stated that he had been bothered before enlistment with colds in his head, which had caused a stuffed up nose. He went to a nose specialist, who stated that he had a bone obstruction and an operation was recommended.

Bronchitis was not diagnosed as such, until March of 1944, following X-ray examination and consultation. Prior to this there appears to be no record of bronchitis, or of any chest condition. History given by the man indicates that

the condition now diagnosed as bronchitis had its commencement in the invasion of Sicily, when he contracted a heavy cold which persisted and finally developed into a bronchitis. It is difficult to see how he could wilfully and deliberately conceal a condition which was non-existent on enlistment.

By Mr. Harris:

Q. Have you any submissions, other than these, to make?—A. Just two small cases.

Mr. HERRIDGE: Some members of the committee have copies of these statements.

The WITNESS: Had I known I was coming here, I would have had copies made.

The CHAIRMAN: There were a limited number of copies which were given to the members of the steering committee and to our medical adviser. There are not any more.

Mr. QUELCH: How long will it take to read the remainder of the cases? Can you do it before one o'clock?

The WITNESS: There are only four more cases.

Mr. QUELCH: He will get through before one o'clock.

The WITNESS:

Case 2—Wilfully concealed on enlistment—aggravated during service in a theatre of war. Enlisted: 13-8-40; discharged: 16-2-44; service: Canada & England.

Service Medical History:—On enlistment, this man denied ever having had any diseases with the exception of the rheumatism. In August, 1941, he was stationed in Debert and contracted a head cold. He continued on in service and while overseas, he complained of head colds and nasal obstruction. Subsequently, a diagnosis of chronic sinusitis was made.

In the post-discharge period, this man was under treatment for the chronic sinusitis and the mild bronchitis and gave no history of anything prior to 1941. This is confirmed in a number of specialists' reports.

Decision of Commission:—June, 1945

At the time of pension medical examination, sinusitis was apparently worse, and specialists stated the man required treatment. During service, man complained of head colds and nasal obstruction and chronic sinusitis was diagnosed. Man gave a history of chronic cough since 1941. At time of discharge, there was some slight evidence of bronchitis, which had not become more marked in May, 1945. This bronchitis depends on the sinus condition.

During service, man stated that his right foot became painful in 1940, after route marches. At time of discharge, there was some evidence of mild metatarsalgia and the condition was apparently no worse in May, 1945. Condition is considered negligible.

At time of discharge, tonsils were noted to be infected. This is considered a pre-enlistment condition, not aggravated.

The commission ruled:

(1) Chronic sinusitis resulting in bronchitis—pre-enlistment in origin, wilfully concealed at time of enlistment, aggravated two-fifths in a theatre of actual war. Award effective from date of discharge.

(2) Metatarsalgia—incurred during service in a theatre of actual war. Award effective from date of discharge.

(3) Chronic tonsillitis—pre-enlistment condition, not aggravated during service.

Comments:—It is difficult to understand where the Canadian Pension Commission arrived at the conclusion that this man's sinus condition was of pre-enlistment origin. There is no history given of the condition in the pre-enlistment period. All records indicate that the condition had its onset in 1941, while he was stationed at Debert, Nova Scotia. It is significant to note that he enlisted in August, 1940, approximately one year prior to the date of the commencement of this history. The only specific medical history in the pre-enlistment period is his admittance to the Ottawa Civic Hospital in 1937 for, apparently, the removal of something from his left eye.

The commission have concluded that the bronchitis is related to the sinus condition, and have accordingly ruled that this as well was wilfully concealed at the time of enlistment.

Once again, there is no apparent history in the pre-enlistment period of any sinus infection.

Case 3—Wilfully and deliberately concealed on examination prior to enlistment—aggravated during service. Service: 28-10-42 to 5-3-46; service overseas from July 28, 1943 to January 15, 1946.

Service Medical History:—During service this man had occasional trouble with his ears, same being tinnitus, and a running left ear. On examination for discharge, the specialist who examined him inserted the remark that he had ear trouble as a child. It recurred again in October of 1945, and the left ear had begun to run, one year previous to the examination, on the 28th of January, 1946.

By Mr. Blair:

Q. Pardon me, the specialist examined him and inserted the remark he had ear trouble as a child. Was that due to the specialist's diagnosis or due to the fact the man had given a history?—A. The specialist's insertion in this case was due to a remark made before the diagnosis was made.

Decision of Commission:—April 10, 1947

Reasons: On examination for enlistment, the applicant denied history of ear disease. On examination for discharge he gave a history of ear trouble as a child. It is considered that the applicant should have disclosed this pre-enlistment history at the time of attestation. While it was of pre-enlistment origin, reports would indicate that it worsened during service.

The commission ruled:

Otitis media, with otitis externa—pre-enlistment condition, wilfully and deliberately concealed on examination prior to enlistment, aggravated three-fifths during service in a theatre of actual war. Award effective date of discharge.

Comments:—The commission have accepted the statement that this man had ear trouble as a child. In a letter to the commission, subsequent to the decision being rendered, the man pointed out that this ear trouble consisted of a small ear ache when he was about six years of age.

By Mr. Green:

Q. This man had three years' service overseas?—A. Yes.

Case 4—Aggravated during service. Service History: Enlisted 31-7-42—discharged 11-10-45. Service—Canada, England, France, Belgium and Holland.

Service Medical History—On attestation there were no signs of gastric or duodenal ulcers. Category A-1. Was re-examined on 19-3-43 and was still Category A-1.

On 7-8-45 man stated that eight to nine years ago he was treated at the Toronto General Hospital for stomach trouble. He claims he was told he had a duodenal ulcer. Toronto General Hospital records show that an x-ray examination was carried out of the gastro-intestinal tract on 8-4-35 and the report shows—Negative for duodenal ulcer, negative for gastric cancer and gastric ulcer.

Decision of Commission—October 31, 1946

Reasons—On medical examination, prior to enlistment, it is recorded "gastric Ulcer, April, 1935". This man received treatment during service for duodenal ulcer.

According to the records of the Toronto General Hospital, it was found that in 1935 the duodenal ulcer was considered negative. On discharge from the service man had an active duodenal ulcer.

It must be considered, therefore, that some aggravation took place during service.

The Commission rules:—

Duodenal Ulcer—Pre-enlistment condition, recorded on medical examination prior to enlistment aggravated two-fifths during service in a theatre of actual war. Award effective from date of discharge.

Comments—Despite the evidence submitted in the form of a report by the Toronto General Hospital that x-ray was negative for duodenal ulcer, the commission still consider the origin of the duodenal ulcer to be in the pre-enlistment period.

This opinion was arrived at despite the positive assertion of the medical board who examined this man on enlistment to the effect that there was no duodenal ulcer or gastric ulcer. It appears to be entirely presumption that the gastric distress noted on enlistment was the beginning of the ulcer. That there could have been no ulcer is demonstrated by the fact that radiological examination in 1935, following similar complaints, failed to reveal any pathology.

Evidence in this case shows that if there ever was a pre-enlistment ulcer it was healed in 1935, and he was a fit man on enlistment. Even evidence of fitness is used against him. The decision is based entirely on presumption.

Mr. BENTLEY: Mr. Chairman, could I ask how many more of these cases there are?

The WITNESS: Just one more.

Mr. BENTLEY: The witness has submitted his case very well. Those cases could be written into the record as though read.

In this connection, I should just like to say these cases will not appear in the record in time for us to examine them before the vote is taken. I should like to suggest, in future, any material made available to any member of the committee should be made available to the whole committee. I do not think it is fair for some members to have the material and some to be without it.

The CHAIRMAN: The Committee did not prepare the material. We just brought in what Mr. Herwig had.

Mr. BENTLEY: In that case, we should have them printed ourselves.

Mr. HERRIDGE: I agree with that submission.

The WITNESS: If we may, I think we could make copies available to the members sometime today.

Mr. GREEN: That would be very helpful if you could do that.

The CHAIRMAN: It is the usual practice to make copies available to all members of the committee where possible.

Mr. BLAIR: This has nothing to do with the vote. This part of his submission could be read into the record.

The CHAIRMAN: I am not quarelling with the submission. It could be read into the record to save time.

The WITNESS:

Case 5—Wilfully concealed—aggravated during service. Service history: Enlisted 23-9-40—1-9-45. Service rendered in Canada and on the high seas.

Service Medical History—In June and July of 1943, he was hospitalized with his stomach complaints. At that time he gave a history that he had been well until three years ago, when he gradually began having pain in the abdomen. The attacks came at first about one month apart, lasting for three to four days. The medical officer made a statement that they antedated his enlistment. X-ray at that time revealed an active duodenal ulcer with previous deformity from scarring.

In May to July, 1946, he was hospitalized again and stated that in January, 1943, he began to have pains in the stomach relieved by food.

Decision of Commissions—September, 1946.

Reasons:—On enlistment, no history of former illness or disease. During service he was treated for a duodenal ulcer at which time he gave a history of abdominal pain, antedating enlistment. From the records, it is obvious that there was permanent worsening of the pre-enlistment condition during service.

The Commission rules—Duodenal Ulcer—pre-enlistment condition, wilfully concealed, aggravated three-fifths during service in a theatre of actual war; award effective date of discharge.

Comments:—The man has given a history in this case of pains in the abdomen. When he first gave the history in June and July of 1943, it dated back three years previously and the examiner made the statement that it antedated enlistment. It would seem that the commission have taken this indication of pain in the stomach as being a duodenal ulcer and have ruled that the man wilfully concealed it on enlistment and awarded three-fifths aggravation.

By Mr. Green:

Q. Certainly there was not much benefit of doubt given to the veteran in any of these decisions?—A. Well, we feel, gentlemen, that these cases more or less speak for themselves. In making a remark about that section, it seems to me it would be very bad law for you to establish a principle in the section then, by exceptions, more or less nullify it. The principle, of course, is that a man who served overseas shall be pensioned for his full disability. All these cases, I think, indicate clearly there is a large number being deprived of that benefit on rather flimsy grounds.

Mr. LENNARD: I presume matters such as these will be considered by the committee after the vote to increase the pension has been taken. These matters will be taken up afterwards.

The CHAIRMAN: Mr. Lennard, the committee consented at the beginning owing to the fact our schedule for today was disrupted, to use the time available by having this submission made today. It will be in the record for use when we come to discuss these matters.

Mr. GREEN: What is your recommendation by way of legislation to meet this condition?

The CHAIRMAN: It is included in his statement. He read it.

The WITNESS: I will read it again.

Mr. GREEN: Is it that you strike out in section 11(c) the words, "wilfully and deliberately concealed"?

The CHAIRMAN: No, the witness will read it again.

The WITNESS: Strike out the words, "if the disability is wilfully or deliberately concealed at time of enlistment"; that is an insult to most of the fellows who went overseas.

The CHAIRMAN: You did suggest an alternative wording, did you not?

The WITNESS: No, we want that out altogether.

Mr. GREEN: You want to leave "obvious" out?

The WITNESS: No, leave "obvious" in because there is a clear definition as to what "obvious" means.

By Mr. Green:

Q. Would you also like to have struck out the words, "disability recorded on medical examination"?—A. No, there is a change in the wording there. It does not appear in this brief, but it appears in the letter I just read to you. In connection with recording our objection might be overcome if it read, "or was found to exist and was diagnosed and recorded at the time of examination for enlistment." In other words, there should be some definite evidence it was a pre-war case.

By Mr. Quelch:

Would you repeat that?—A. "Or was found to exist and was diagnosed and recorded at the time of examination for enlistment."

Mr. BENTLEY: I think if Mr. Herwig is going to make copies of the cases available which he mentioned, it would be helpful if he would also make copies of the recommendations.

Mr. BLAIR: They will be in the record, anyway.

Mr. BENTLEY: I know, but it will be some little time before we get the record.

The WITNESS: The other recommendation, Mr. Chairman, is the fractional assessment recommendation.

That schedule "A" be amended to provide that fractional assessment be determined on progressions of 5 per cent except where disability is considered to be sufficiently compensated by gratuity.

The present practice is to assess pensions in such fractions as 22, 23, 26, 28 and 29 per cent and pension is paid at the lowest figure between ranges of 5 per cent. For example, a disability pension is paid at the rate of 25 per cent for all disability rates between 25 per cent and 29 per cent. This proposal would eliminate the intervening fractions between 5 and 10, 10 and 15, 15 and 20 per cent, et cetera. Thus a pension presently rated at 20 per cent would be assessed at 25 per cent, but disability presently rated at 28 per cent would be assessed at 30 per cent.

The veteran does not understand how anyone can assess a pension in degrees of 1 or 2 per cent. He does not know why that is being done. He thinks it is ridiculous, and it is, as I think anyone will agree. Multiples of five would seem to be the more reasonable way of handling the matter. I believe it would help the men a great deal to do it on that basis. I believe a great many of these 27 and 28 per cent pensions are paid because of the necessity of adding up fractions of percentages and a lot of them arise out of these aggravated cases.

Now, if our recommendations regarding aggravations are accepted, it will eliminate a great deal of that.

Mr. BENTLEY: May I ask Brigadier Melville a question at this stage? I wonder, before we commence discussion of this question, if we could have some figures showing the approximate increase in cost in carrying out these recommendations of the Legion. In addition to that, could we have figures showing what the cost would be if, instead of carrying the pension to the nearest 5 per cent, we carried everything between the five per cent figures to the higher figure? Instead of taking 29 per cent back to 25 per cent, take 26 per cent to 30 per cent; would that be difficult to ascertain?

Mr. MELVILLE: With regard to the first part of your question, I have no estimate and an estimate would be very difficult to prepare. With regard to the second part of your question, dealing with fractional assessments, I have already, I hope, explained the situation in a prepared statement which, I believe, is in the minutes of the last meeting.

Again, gentlemen, I must reiterate that, at no time, does the commission assess disability on anything less than 5 per cent; all disabilities from 5 per cent and upwards are so assessed.

If a change were made, as has been suggested by the Canadian Legion, I stated at a previous meeting the estimated immediate increase in annual liability would be about \$250,000. Now, frankly, I am not sure. The treasury officer cannot advise me definitely. It would involve a review of thousands of files, but that is the closest we can estimate it.

Mr. GREEN: Would there be any difficulty in administering a provision to the effect that where a percentage was over the half, that is 27, that the pension should be set at the closest unit of 5, that would be at 30 per cent?

Mr. MELVILLE: It is not a question of administration at all, it is a question of the Act. If the Act is amended, then the commission would be required to review every assessment and to make the necessary changes.

Mr. GREEN: The unfair part of it now is, if a man is entitled to a 29 per cent pension, he only receives a 25 per cent pension; that is just a bit of petty chiselling under the Act.

Mr. MELVILLE: It has been in the Act ever since it was enacted in 1919.

Mr. GREEN: That may be so, but it is still petty chiselling.

The CHAIRMAN: It was not, I understand, the intention of the committee to go into each of these various questions which have been raised by Mr. Herwig this morning. I did, however, restrain the committee from questioning him as to the facts concerning his presentation until he had concluded. You have concluded, have you?

The WITNESS: I have just one more remark.

The CHAIRMAN: I was going to say if the witness had finished, any elucidation of the facts presented would be in order. However, the witness tells me he has another presentation to make.

The WITNESS: This proposal, Mr. Chairman, does not relate, perhaps, from our point of view to pension matters, but we are making an alternative proposal which does affect pensions and, therefore, I had better read it to you. The proposal is,

That the government accept greater responsibility for the welfare and education of the children of men who lost their lives in the service, by extending benefits equivalent to the rehabilitation benefit their father would have received had he returned. An alternative proposal is to extend orphan rates to the children of pensioned widows.

COMMENTS:—Veterans feel that this is an important omission in Canada's rehabilitation program as it affects the children of those who lost their lives in the service. Subsistence maintenance until the age

of 16, 17 or 21, as the case may be, is not enough. The responsibility for educational or training benefits or assistance to enter a trade or calling must rest with the government.

The alternative proposal would be of great assistance if the government should find difficulty in arriving at a satisfactory means of extending equivalent benefits.

We recognize it is very difficult, perhaps, to devise a means of assisting the children of men who were killed overseas in their education, and getting the children set up in life. The basis upon which we are now thinking is that it might be well to have them properly taken care of when they are young. The proposal, then, would be to give the children orphan rates.

By Mr. Brooks:

Q. You say, "the same benefits as their fathers would have had had they returned"; that would include college education and vocational education. You are really not suggesting that. What you are suggesting as an alternative is that, up until 16 years of age, the children be given educational opportunities?—A. We say, if it is possible to devise a scheme under which the children could receive that kind of education, yes, certainly, give it to them. If not, if no way can be found to do that, then give them the extra money while they are young so their parents can look after them properly.

Q. Have you studied the United States system in that regard? The federal government, as I understand it, does not deal with education. It is much like our system and the provinces have charge of education. There is a line of division. However, each state in the union gives anywhere from \$150 to \$300 a year for the education of the children of soldiers who died overseas?—A. We would hope the federal government might open negotiations with the provincial governments to try to develop something along that line. We would prefer to see that done rather than our alternative suggestion. However, something should be developed to take care of that problem.

Mr. BLAIR: I was wondering if the province of Ontario still had in force that legislation under which the province took over the orphans of soldiers?

By the Chairman:

Q. I was going to ask, are there any other provinces that have dealt with this matter? I have a second question and you can answer them both at the same time. Has the Legion itself entered into negotiations with the several provinces with a view to settling this situation? I think it is fairly clear that the negotiations have to be with the province in so far as education is concerned.

While I am on my feet, another brief question: does the Legion consider that the formation of the benevolent fund is likely to meet the situation with respect to advanced education? I am not suggesting it should or should not, but, in point of fact, there is a recommendation or a regulation, perhaps, and does the Legion think this is an effective way of meeting the advanced educational problem?—A. We do not think the canteen fund should be set aside for that purpose. Canteen funds after all are to assist the men who created the fund. I have no doubt that the veterans will want to use that fund to assist, but that should not be the sole responsibility. We feel the federal government has a responsibility in this issue, and that certainly if the Legion had encouragement from the federal government to start negotiations or to assist in getting the provinces to do something more about it we would get some sort of uniformity about it.

Q. You have not ordinarily waited for encouragement from anybody to start negotiations?—A. You are quite right.

By Mr. Green:

Q. In effect what you have in mind is a system of national scholarships for the children of the men who lost their lives?—A. Some national effort to educate these people properly.

Q. The Legion believes they might not get the same chance as other children of the country?—A. That is right.

Q. I think the chairman is quite wrong when he said we are all agreed it is a provincial matter. I do not think very many of us agree to that.—A. If I might introduce one point here in that respect, when vocational training was developed the co-operation of the provinces was sought and received. I think that plan is still in operation. We should build on that and develop some sort of scheme to take care of the children for the future. We realize many of these youngsters—

Q. The dominion certainly cannot shelve its responsibility on the provinces, in my opinion.

MR. WOODS: If I may say a word on the question I do not think Mr. Green is quite correct when he suggested to the witness that what he is advocating is a system of national scholarships. As a matter of fact, what Mr. Herwig did advocate is an increase in children's allowances.

MR. GREEN: That was only an alternative.

MR. WOODS: So they could build up.

THE WITNESS: There are two parts to that recommendation. One has to do with some way of making these other facilities available to the children, but if you cannot do that then increase the allowances. If the committee favours the first then certainly a more extensive submission will be made on it.

By Mr. Herridge:

Q. I should like to ask the witness a question. Mr. Green suggested a system of national scholarships. That would not fill the bill. That would only provide for the brighter children. I think we have got to consider the average child.

MR. GREEN: I did not have in mind any discrimination between children. I meant to cover all of the children of the men who have lost their lives, not have it only for the bright ones.

MR. BENTLEY: A scholarship as of right.

By Mr. Brooks:

Q. May I ask a question? Is your argument not based on this, that the Legion does not consider that the allowance given to a widow or to children is sufficient for that widow to provide a normal education for the children, and the children of that soldier are not placed in the same position as the children of the soldier who came back or of civilians, and for that reason many of those children had to leave school early and did not receive the educational benefits they would have had they been placed in the same position as other people in the community?—A. Quite.

Q. Your suggestion the allowance should be increased might provide for children receiving this benefit?—A. That is our view.

MR. WOODS: Increasing the allowances to all children would be a shot in the dark. You do not know what children are going to attain that status that they would go to college or take a vocational course.

MR. BROOKS: I am not suggesting the scholarship idea because I quite agree you cannot send everybody to college. There is only one child in a dozen who perhaps would be fit to go to college. You have got to make some other arrangement.

By Mr. Green:

Q. Your scheme would also cover vocational training?—A. Yes.

By Mr. Harris:

Q. Do you want to say something on the question Mr. Green brought up about senior officers and helplessness allowance?—A. Thank you for reminding me of that. At one of your previous meetings Mr. Green raised some question as to what the Legion felt about senior ranks and their relation to the pension increases. At that time we made the statement we had already presented something before the 1946 committee in respect to that issue which General Price referred to in his remarks. It is not contained in the written brief. I should like to make this statement about it. At the 1944 convention the Canadian Legion adopted the following resolution:

Resolved that section 14 (1) of the Pension Act be amended to add the following proviso:—"Provided however, that in the event of a member of the forces being promoted to a higher rank after the appearance of the injury or disease for which he is pensioned, he shall be entitled to pension on the scale applicable to such higher rank."

This proposal was presented to the parliamentary committee in 1946 and is to be found in minutes and proceedings No. 7 of Tuesday, April 9, 1946.

While the resolution is not in the same terms and has more general application than for helplessness allowance, the principle of the resolution was what General Price had in mind in his remarks on Wednesday, March 15th.

I think perhaps I might add a few remarks to the statement. After all it was the parliament of Canada that did make the distinction between ranks in the Pension Act in the very beginning. The tendency since then has been, and perhaps with a great deal of popular support, to bring the lower ranks up, in so far as the pension payments are concerned, to more nearly meet officers' pensions. That is a perfectly fine thing to do, but when increases are to be made there is no particular reason why one should penalize the higher ranks. That seems to be a matter of justice. We established the pension rates in the very beginning on that basis. There seems to be no reason why we should not give them the benefit of increases as well. It is not a very big matter. I do not know how much money would be involved in it, but certainly when it comes to the helpless case he ought to be treated as of rank and not have his helplessness allowance scaled down.

By the Chairman:

Q. Mr. Herwig, it seems to be the popular practice to put words into your mouth. I am not trying to do that, but would this be a fair summation of the view you have, that having accepted the principle of discrimination in pension according to rank that it is the feeling of the Legion that if that is to be abandoned in part that the least justifiable place to make a distinction is when you come to deal with the senior officer who is wholly incapacitated and helpless?—A. I think that is a fair statement. That is all I have to submit.

Mr. MELVILLE: As we have been discussing the question of children I should like to give some figures to bring the record up to date. I think these figures were asked for by Colonel Brooks at the previous meeting. I stated that additional pension was being paid on behalf of 101,703 children, that is of both wars, children of disability and dependent pensioners. I also stated that of that number there were 745 who had reached the statutory age, 16 for a boy, 17 for a girl, but as those responsible for their maintenance were without adequate resources, and these children were satisfactorily pursuing a course of instruction approved by the commission, pension was being continued, and there were 745 who fell within that category.

The question was asked in how many cases was pension being continued for children who unfortunately were suffering from physical and mental infirmities. The number is 265. That is to say, 265 children have reached the statutory age limit but because those responsible for their maintenance are without adequate resources, and these children are suffering from physical and mental infirmity, pension is being continued. There is no limitation as to the age beyond which that pension may be continued in the case of those who are so seriously and unfortunately disabled.

Mr. GREEN: Are you bringing this point up by way of a suggestion to meet the recommendation put forward by the Legion?

Mr. MELVILLE: I was very clear. I brought it up to bring the record up to date. The question was asked at the last meeting. I have endeavoured at all times to bring information up to date so it will be available to the members of the Committee. It has no relation.

Mr. BROOKS: It is not a substitute for anything else?

Mr. MELVILLE: None whatever. It is the extent to which the commission carries out the terms of the Pension Act in so far as certain children are concerned.

Mr. LENNARD: As a matter of fact, you did not know this matter might be brought up. You had the information because it was asked for?

Mr. MELVILLE: Yes, thanks.

The CHAIRMAN: I think the chair has been rather tolerant in the matter of allowing suggestions to the witnesses. We have had very fine co-operation from all witnesses, but I take a rather poor view of that type of suggestion. I will not encourage it. Are there any further questions with respect to the effect of the brief presented by Mr. Herwig? Have you any further information that has been asked for?

Mr. MELVILLE: I would be very glad to assist members of the committee by preparing for distribution through the secretary a statement giving the details from the commission's review of the files on each of the five cases.

The CHAIRMAN: I think that would be required.

Mr. MELVILLE: I am constrained at this point, with all due respect, and with a very high regard for the Legion, to make this observation. I think in every one of these cases the decision was rendered by the commission in 1944, 1945, or 1946, and in one case in 1947. In every instance that decision was communicated to the individual. In every instance a copy of that decision was forwarded to the Canadian Legion at the same time. In one case nearly three years has elapsed, and on my review of the file there has been no representation of any kind whatsoever either from the man himself or from the Legion. If exception is being taken to the ruling given by the commission I suggest in all fairness, from the Canadian Pension Commission's point of view, that a very clear letter of instruction goes out stating that the pensioner, or the man who receives the decision, has the right to renew his application at all times before the commission with additional evidence. No renewal request has happened in these cases.

Mr. GREEN: I do not think it is fair for Brigadier Melville to attempt to put the Legion in that position.

Mr. MELVILLE: I hope I am not being unfair to the Legion. I never have been nor do I so intend.

Mr. GREEN: I have the floor, Mr. Chairman. These cases were decided by the commission on a basis that the Legion thinks is wrong. On the basis of these decisions the Legion is asking for an amendment to the Act. They are perfectly within their rights to do so, and they should not be criticized because,

after having had adverse decisions, they do not make further representations or anything of that type. They were under absolutely no obligation to do so. I suppose they did not do so because they had lost out on the same ground in so many cases. I should like to point out that here is one case of a veteran who had carache when he was six years old, and it was ruled that was wilfully and deliberately concealed on enlistment. That decision was on April 10, 1947, after this committee had been battling for two years on this question of wilful concealment. In the face of the discontent that was shown by members of the committee of all parties—I think we voted unanimously on it—in the face of all those complaints that we made the commission a year later turned around and made a decision of this type. I think the Legion are quite within their rights in demanding that there be some change made in the legislation because it is absolutely unfair that a veteran should be accused of wilfully and deliberately concealing a condition of that type.

The CHAIRMAN: Mr. Green and gentlemen: I think I know the sense of the committee. I am open to correction if I do not. The committee is, of course, well aware that the Legion not only have a perfect right to make any suggestion to the committee but they are also here on our invitation. It will also be, as it has always been, the desire of the committee to give the Pension Commission, which is the second party to this discussion, every opportunity to give us the information which is in their hands in order that we may come to a sensible decision. I think it is not the desire of the committee either to commend or rebuke either witnesses from the commission or from the Legion, and to suggest that because we have a statement read into the record at the time when the original statement is made there is anything unfair to the Legion is, in the opinion of the chair, unjustified. We will have full opportunity to discuss the whole question, as we have had before. I think there can be no exception taken to that. Did you wish to say something?

Mr. HERWIG: I want to say that the practice of the Legion has always been, when we are notified of a commission ruling or decision, to indicate to the man what his rights are. He can proceed if he wishes. Acting as advocates we have to wait until we get a reply from him indicating he has further evidence, and so on. That was done in each one of these cases.

Mr. BLAIR: I think this submission of the Legion is just an attempt on the part of the Legion to draw our attention to the matter. Mr. Herwig presented five specimen cases. There is not any doubt in my mind, and apparently no doubt in the minds of quite a few of us, that those should be brought up at a meeting where we can go after this because there is obviously dissatisfaction with these rulings. Apparently there has been some defence by the Chairman of the Pension Commission on the part of the Pension Commission. I am going to enter the fray. I can produce more cases than the secretary of the Legion can. I give you fair notice I am going to fight this and introduce an amendment. I should like to have notice from you, Mr. Chairman, as to when this matter is going to be introduced. I think we should discuss it and go into every detail of it.

The CHAIRMAN: The steering committee will meet again before we go on with this, but it was decided at our last meeting and announced and accepted here that all of these matters would be taken up. There are four or five ticklish questions which we desire to examine. I might point out that amendments to the pension bill are not in order in the committee if they involve the expenditure of public money, under our present terms of reference. It is in order for you or any other member to introduce a resolution recommending such a change. We have notice of one or two already, and I am quite sure we shall have more. At that time we will take them up one at a time as they come before us. There is one before us now proposed by Mr. Green with respect to the higher ranks in the matter of pension.

Mr. BLAIR: An amendment to the Act would have to go before the House?

The CHAIRMAN: We are restrained by the rules which make it impossible for a private member to present a money bill, but we can, as we did in other instances, recommend that in the opinion of this committee—the exact words will be framed—this amendment should go forward which will do specific things. I know there will be ample opportunity to discuss all of these things because it will be done by notice to the committee.

Mr. HERRIDGE: I have one question to ask Mr. Herwig so as to be quite clear in my own mind. It is with reference to the remarks he made in connection with the helplessness allowance and the disability suffered by some of the higher ranks. Am I to presume from Mr. Herwig's remarks the Legion supports without question the principle of payment of disability pension on the basis of rank?

The WITNESS: Quite.

Mr. HERRIDGE: The Legion does?

The WITNESS: Yes.

The CHAIRMAN: Gentlemen, there is a motion to adjourn.

The committee adjourned to resume on Friday, April 23, 1948, at 11 o'clock a.m.

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SESSION 1947-1948

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 10

FRIDAY, APRIL 23, 1948

WITNESSES:

- Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman,
Canadian Pension Commission;
- Mr. W. S. Woods, Deputy Minister, and Mr. E. J. Rider, Research
Adviser, Department of Veterans Affairs;
- Judge F. G. J. McDonagh, President, and Captain Tom E. Bowman of
the Canadian Pensioners' Association of the Great Wars;
- Mr. W. C. Dies, President, Sir Arthur Pearson Association of War
Blinded in Canada;
- Mr. A. J. Wickens, K.C., President, Army, Navy and Air Force Veterans
in Canada.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY

1948

MINUTES OF PROCEEDINGS

FRIDAY, April 23, 1948.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. L. A. Mutch, presiding.

Members present: Messrs. Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Cruickshank, Dickey, Dion, Emmerson, Gauthier (*Portneuf*), Gregg, Green, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Lennard, MacNaught, McKay, Marshall, Moore, Mutch, Quelch, Ross (*Souris*), Skey, Viau, White (*Hastings-Peterborough*), Wright, Winkler.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, and Mr. E. J. Rider, Research Adviser, Department of Veterans Affairs; Judge F. G. J. McDonagh, President, and Capt. Tom E. Bowman of the Canadian Pensioners' Association of the Great Wars; Hon. Lt-Col. the Rev. S. E. Lambert, President, Mr. James MacDonald, and Mr. Rudy Lacasse of the War Amputations of Canada; Mr. W. C. Dies, President, and Capt. Fred Woodcock of the Sir Arthur Pearson Association of War Blinded in Canada; Mr. A. J. Wickens, K.C., President and Mr. J. P. Nevins, Dominion Secretary, Army, Navy and Air Force Veterans in Canada; Mr. G. K. Langford of the Canadian Paraplegics Association.

Mr. Melville tabled a summary prepared from the service documents and official records for each of the five cases cited by Mr. Herwig, General Secretary of the Canadian Legion, at the last meeting to illustrate the effect of the exceptions in Section 11 (1) (c) of the Pension Act, which is printed as Appendix "A" to this day's minutes of proceedings and evidence.

Judge McDonagh was called, heard and questioned.

Mr. Wickens was called, heard and questioned.

Mr. Dies, Capt. Bowman and Colonel Lambert were called and heard.

The witnesses retired.

At 1 o'clock p.m., the Committee adjourned until Tuesday, April 27, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 23, 1948.

The Special Committee on Veterans' Affairs met this day at 11.00 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: As the committee knows we are to hear this morning further representations from the National Council of Veteran Associations in Canada. They are here under the chairmanship of Judge McDonagh, who is known to all of you. Just before I call on Frank McDonagh to introduce the delegation I want to draw the attention of the committee to the fact that a memorandum has been prepared in connection with those cases on section 11 (c) which we had the other day, and has been circulated to the members this morning. If anyone did not get one they are available. There was some implied criticism that there was not complete distribution of another submission at an earlier meeting. There are sufficient for everybody to have one. I think without any further remarks I will ask Judge McDonagh to say what he has to say and to introduce his delegation.

Judge F. G. J. McDonagh, Acting Chairman, National Council of Veteran Associations in Canada, called.

The WITNESS: Mr. Chairman, Mr. Minister and gentlemen: I appear before you this morning as acting chairman of the National Council of Veteran Associations in Canada. Our chairman, Colonel Eddie Baker, shortly after we were here on March 15th was taken down with the flu, and then was ordered by his doctor to spend a few weeks in the sun. May I say as one who has been active in veterans' affairs for more than 25 years that there is no one in Canada who has greater knowledge or greater understanding of all phases of war disability compensation and its many problems than our chairman, Colonel Baker. We regret he is unable to be with us. It is a high privilege I have this morning in occupying his shoes, and I do so with the realization of my own limitations.

Our delegation this morning is not a large one. It consists of Ken Langford of the Canadian Paraplegic Association, Colonel Sidney Lambert, Dick Turner, Rudy Lacasse, and James McDonald of the War Amps of Canada; Captain Fred Woodcock, Bert Dies of the Sir Arthur Pearson Association of War Blinded; Mr. A. J. Wickens, K.C., and Jack Nevins of the Army, Navy and Air Force Veterans; Captain T. E. Bowman and myself of the Canadian Pensioners Association of the Great War.

We have followed with great interest your deliberations and have carefully read the Hansard reports of your meetings. When I read of your meetings with the statistical experts I must say I sympathized with you, and I was glad I was not a member of your committee. We who hold responsible positions in our respective associations realize our responsibility in speaking to you in the interests of the more than one and a half million of the adult population who at one time like yourselves were privileged to represent Canada by wearing the Canadian uniform. We also realize we speak on behalf of the dependents of the more than 100,000 Canadians who gave their lives for Canada.

Believing that the Canadian people are not opposed to the reasonableness of our request we felt we should come before you with a small delegation. I understand we are to speak to you this morning principally on the matter of an increase in the basic rate of war disability compensation. With your permission I will ask Mr. A. J. Wickens, K.C., Dominion President of the Army, Navy and Air Force Veterans of Canada to speak to you on our behalf with our complete endorsement of his presentation.

A. J. Wickens, K.C., Dominion President, Army, Navy and Air Force Veterans of Canada, called:

The WITNESS: Mr. Chairman, Mr. Minister and members of the committee: To make my position clear before I say the few words I have to say—and I know you will be very happy to hear me say they will only be a few words—I want to make it quite clear in appearing here I am not appearing on my own personal behalf as a pensioner because I am not a pensioner. I had the honour to serve in the first war. My three sons and both sons-in-law followed the old man's footsteps much more successfully, and they served in the recent war, but none of them are pensioners. So you will bear in mind that in making the presentation that I am making today that if I have any financial interest in the matter it is as a taxpayer whose money is going to be used to do the things I am suggesting we should do.

In approaching the question of the disabilities that follow from war casualties, I suppose a reasonable number of this committee are members of my profession, the profession of law, and will know the elements that are considered when you are assessing damages arising out of injuries received in civilian life. In civilian life there are six bases of estimating damages. The first is the loss of earning power from the disability, the permanent injury. That is under the heading of loss of income. The second is the loss of employability. The third is depreciation of the prospects of marriage, and while I am not urging it upon you as a basis for which a pensioner or disabled veteran should be compensated, it is one of the worst of the casualties that a man with war injury suffers, the depreciation of his prospects of marriage. Our ladies may be the finest people in the world but unless there were some contacts and some ties before enlistment the man who comes back only part of a man is not going to have the same opportunity of having a successful, happy and prosperous married life as he would have if he had come back whole, as many of us did, thank God. The fourth is loss of participation in social activities and sports. The fifth is a most important one, and the one from which the taxpayer profits, is the shortening of his expectation of life. The sixth one which enters into a civilian claim is pain and suffering which inevitably follow injuries.

With all those six items which enter in varying degrees into the damage which an individual suffers when he is injured, there is only one of them that has ever been considered as a basis for war disability allowance compensation. That is the first one, loss of income. In applying that first item it is applied I regret as a citizen to have to acknowledge, on the lowest recognizable basis of income applicable in any section of the community, namely that of unskilled labour. Perhaps we veterans are somewhat to blame for that condition having obtained for all these years since the end of World War I. I am not pointing out the fact that is the basis on which war disability compensation is allowed by way of being critical of the authorities. If there is criticism to be made because of it every individual in Canada, veteran or civilian, must take his share of it, but that fact does remain, that when the present war disability war compensation was fixed it was fixed on the estimated basis of the earnings of unskilled labour.

You have had a mass of statistics. Your heads must have swam because it blinded me to try to follow it, reading your reports as they came to me from day to day. Frankly, as a lawyer and as an individual, I completely disregard statistics apart from general deductions, and I will tell you why. That is official statistics. Official statistics are deductions made by statisticians from facts which are collected by various agencies. Secondly, they are influenced by deductions of other gentlemen. If I may be permitted to mention one or two personal things you will get some impression of whether or not I am qualified to make that statement and drawn the conclusion I do with respect to the value of statistics for the purposes of a committee of this kind. For the five years, 1930 to 1934, I was chairman of the Minimum Wage Board in the province of Saskatchewan. As chairman of that board I was charged with a duty very similar to yours, fixing the standard of wages as a minimum that was going to be paid to certain classes of the community. One of the documents that was sent to me regularly to assist me and my board in arriving at our decisions was a publication called the *Labour Gazette*. Incidentally, in that publication were given costs of living, costs of commodities, and so on, all across Canada.

My board and I found that publication, while of referential value, of no practical value because in no point named in the schedules given in that publication—and there were several in our province named in that schedule—did we find that the cost items upon complete investigation bore any reference to those listed in that publication, and for the reason I gave. They are a general average taken hit and miss, and by deduction and computation afterwards.

The second reason is for the last ten years I have been and still am the chairman of the Moose Jaw City Civic Relief Board, one of those volunteer jobs such as your duties here today, in addition to your parliamentary duties. Again I found statistics of no value to us, and we had a wealth of statistics. Just by way of a little by-play I will give you an illustration of the statistics we had in connection with our relief board activities. In one of the periods of relief administration the dominion and provincial governments together got out a table of items which they felt the relief recipient was entitled to get at public cost. In the list of items for a single unemployed person was one roll of toilet paper per month. They considered that was the quantity that person needed. In the list of commodities for two people living in one establishment they only got one roll of toilet paper between them. I asked the minister if the second person was supposed to use the other side of the paper but I never got an answer. It would have been perfectly simple for the dominion and provincial statisticians who compiled that list for the guidance of relief administrations all over the western part of Canada to have said that for a single person it should be one every two months. I mention that to show you there is an element of inaccuracy in all official statistics prepared on a nation-wide basis.

I might also refer you to two things to show you that to deal with the matter of human relations by figures is a very dangerous thing. Probably all of you will recall the two things when I mention them to you. In your early days in university or high school you were probably surprised when you heard your mathematics professor tell you that one equalled nothing and that he was prepared to prove it to you by quadratic equation on the blackboard. You could therefore prove that to yourself.

Most of you will remember the mathematical problem that Pythagoras, the ancient Greek mathematician, promulgated and demonstrated by figures, that if two runners, one slower than the other, were in a contest, and if you gave the slower runner a start on the faster runner he proved by figures that it was utterly impossible for the faster runner ever to overtake the slow runner because he said, "while the fast runner is closing the interval that existed at

the start of the race the slow runner has gone another distance," and so on ad infinitum. Mathematically it is correct. That is a sample of the value in human relations of statistical figures.

I took the trouble to take the same course of procedure that I did in those two public capacities that I have told you of. I went to employers and employees in Moose Jaw to get wage rates, and then the dominion government through the Department of Labour incidentally placed other figures in my hands. I asked the city commissioner and solicitor, my good friend and confrere, Julian Marquis, K.C., if he could give me from the records of the city of Moose Jaw the hourly wage rates paid to unskilled labour in the city of Moose Jaw during the period 1918 to 1926, both dates inclusive. He gave me those figures after looking them up, and they ran from a low of 30 cents to a high 40 cents per hour. I asked him what the present wage rate was for city employee in Moose Jaw, the unskilled hourly labour, and it was 70½ cents. That covers definitely in our area, at least, those two periods.

Then I went to the Canadian Pacific Railway Company, whose main divisional point for Saskatchewan is in our city, and which is the largest employer of labour, and the largest of unskilled labour in that area, if not in the province. They gave me the high only for the period 1918 to 1926, and that was the same as the city, 40 cents per hour. Their present rate is 69 to 70 cents per hour for unskilled labour. Worked out on a monthly basis the city pays unskilled labour \$135 a month and the C.P.R.—and nobody will accuse them of being fairy godfathers or anything of that kind—pays \$131.34.

It may seem like an anomaly for me to be arguing against statistics and then giving you these figures, but these are factual figures, not compiled statistics.

The third case has to do with the head of the lakes. Just before I got on the plane to come down here I received one of those sealed documents from the deputy minister of labour informing me I had been appointed to a board of conciliation to sit at the head of the lakes to represent labour there to determine the wage scales between all employees of the terminal elevators there and the terminal elevator companies. I took the trouble to telephone one of the labour men in the city of Fort William, who happens to be an official in my association, the Army, Navy, and Air Force Veterans of Canada, and asked him what the dispute was about. He said at the present time men who shovel wheat in the elevators—and I would call that unskilled labour if my opinion were asked—are getting 87½ cents an hour. The men want 95 cents an hour. Mr. Harris Johnson, who is a conciliation officer in the Department of Labour, and whom I happen to know very well—for three successive terms he was mayor of Moose Jaw before securing that appointment—went to Fort William and endeavoured to conciliate this dispute. After surveying the conditions and the circumstances he recommended that the employers accept the demand of the men and grant them the extra 7½ cents an hour. The employers are willing to grant them an extra 5 cents an hour, namely 92½ cents hourly wage for that kind of labour. The thing we have to conciliate is the other 2½ cents.

So we have there such widely separated points as Moose Jaw and the head of the lakes, Fort William, approximately 800 miles apart by railway, with those present-day unskilled labour wage scales, that in Moose Jaw which only varies a cent and a half and the one at Fort William where they are agreed on 92½ cents and require it to be 95 cents.

I am not going to labour figures any more with you on that point, but I have one very important point which, on my own behalf as a citizen and on behalf of the large body of veterans for whom I speak today in the National Council and constituent bodies, I should like to raise. That is the standard of living. To me, Mr. Chairman and members of the committee, that is the most vital question of all. There is no way you can get statistics to deal with that at all because there is no statistical basis on which you can approach it.

I may say I only knew I had to appear here yesterday or today on Tuesday afternoon late. I was all Wednesday morning in court, and what thinking I have had time to do about the matter I have done on the plane on the way down. You will pardon me if I may not be as concise and do not proceed in as logical an order as perhaps I should like to have done otherwise. Thinking the matter over on the plane coming down here I decided to presume to ask you gentlemen this question. Suppose each member of this committee had to take out of his home, away from his personal use, out of his social activities and out of his public activities, every modern invention and convenience and development that has occurred since 1925. What would your life be like? That is one of the things, I submit with all due respect, gentlemen, that you have got to consider because on the basis of unskilled labour, or any basis at which you fix the wage or compensation in 1925, unless you advance that compensation to take care of these improvements and advancements in the standard of living, you are saying to these gentlemen whose pension and compensation was fixed at that time, "You are being denied all these things". You are not only saying to the man, no matter what state of life he came from before he entered his country's service and received his disability, "that is the basis upon which we are going to compensate you now; no matter what your walk of life you are going to be compensated as an unskilled labourer if your rank was captain or below," but we say to him, "For the rest of your days you are going to be fixed at that compensation."

When you come to the case of the veterans of this war you have a much more serious state of affairs than that because these young men before they enlist in their country's service were already enjoying these things. You are saying to them, "Young man, fine, we appreciate your serving your country. It is a noble thing you did. It is very unfortunate, and we are deeply sorry that you met with an injury in defence of your country". To show our gratitude we are going to say to them that they will go back to a standard of living which in the case of many of them ceased to exist before they were even born.

This is plain speaking, gentlemen. I believe in plain speaking because I believe that is the sort of speaking you gentlemen want. I think I should add at this point that from reading the deliberations of the committee as shown in the minutes, and the expressions of opinion that have been made by members of this committee, I think it is due the committee to say that I, at least, am quite thoroughly convinced of the deep personal interest of every member of the committee in this very important matter. My only reason for bringing these points before you is to make sure that you have them before you and that you give due consideration to them when you come to make your final recommendation to parliament.

There are one or two other matters I had intended to speak on, but on considering them I have decided to drop them, because they are rather controversial, and I think the less controversy we get into a discussion of this kind the better progress we are going to make. However, I do want to raise one or two points. I know personally from information given to me from other officers of my organization and other members of the National Council that there has been a considerable body of public opinion expressed and sent to this committee supporting completely the stand of the National Council. The point I am advocating today, as my good friend Frank McDonagh has told you, is the matter of raising the basic rate to \$100 a month. I do not know whether I am justified in asking this question, but I should like to know, if you feel that it is possible to tell me, if there has been any expression of opinion from the public in any way indicating opposition to our position. If there has not been, and there has been a considerable body of public support, not from veterans' groups, but from taxpaying groups, who when all is said and done are the ones most deeply concerned, then I think that is a matter which should be given very serious consideration, because

while you gentlemen as members of parliament do represent your constituents, and taken collectively the constituents in the Dominion of Canada, you represent them only as a means by which their known will is to be expressed in the decision and disposition of the affairs of the country.

In the past year in the discharge of my duties in the high office to which my association, for reasons best known to themselves, has elevated me, I have been in most of the important cities of Canada from Victoria to Montreal and Quebec. I have not only visited veterans' organizations but I have attended public meetings of different kinds in some places. I have talked to innumerable people during the past year about this very question, seeking public opinion, and I make this statement in order that you may have it before you. I have never met one single person anywhere in the Dominion of Canada that I have been who thought that our representation for \$100 a month minimum basic pension was other than fair. In fact, it is astonishing the lack of knowledge of the general members of the civilian public as to what is the actual pension or compensation which a war disability pensioner gets. You would be astonished at the percentage of people to whom I have spoken about it who were surprised that the veterans were willing to be content at the present time with as low a figure as \$100 a month. I can say this to you without any fear of contradiction from anybody that there can be no more popular thing that this parliament of Canada could do today on any subject than granting in total the brief of the National Council of Veterans. I say that advisedly. I say that to each one of you, and through you to each member of the House of Commons, whatever your political aspirations may be. I must apologize for mentioning that, but we are all human, and we all have to give an account of our stewardship. I say this to you frankly and earnestly that there is nothing, in my opinion, that any member of parliament can do at this session of the House that will endear him more to his own constituents than supporting wholeheartedly, irrespective of party ties or anything else, the brief that the National Council of Veterans has presented here.

Now, I want to present to you just a few more figures. First, reading the minutes of your meetings I gather that the difference between the proposal which the government made which resulted in the appointment of this committee and the proposal which we have submitted to you, would run to, in round figures, \$12,000,000 a year. Gentlemen, when the House of Commons, in its discretion, decided to institute family allowances across Canada, I am informed from inquiries that I have made that the annual cost of that is somewhere in the neighbourhood of \$250,000,000. I venture to say not one word of protest was received by this House or any member of the House in connection with that Act by the parliament of Canada. This means, not only \$250,000,000 a year now, but it will mean \$250,000,000 year after year; and it will, in the nature of events, increase substantially. We all hope it will because if our nation is going to grow, we have to have a lot more children. I, for one, entirely approve of the action of parliament in making that grant, but is it not an extraordinary thing that such a grant should go through without any disapproval of any kind and yet the veterans, who have a claim apart from that of general welfare, a personal claim upon the taxpayer of Canada, should meet such adamant resistance as we seem to be meeting in presenting this case for the veterans for compensation for injuries suffered in the defence of our country.

Now, the government has placed itself on record very definitely as estimating that the necessity for the payment of compensation to casualties of World War II will last approximately 50 years. We, of course, know that casualty compensations for World War I veterans will have ceased long before that time. My authority for making that statement is found in the Army Benevolent Fund Act, chapter 49, passed last session. I am reading from

section 9, subparagraph (2). Now, I am keenly interested in this because I happen to be one of the five-man board which administers this very Act.

Plans shall be formulated—

that is, by the board of which I am a member—

on the assumption there will be prospective beneficiaries for fifty years from the establishment of the fund.

Therefore, I take it I am not being unfair when I say that we can look, reasonably, for the extinction of the responsibility to maintain war casualties of World War II at the end of fifty years. We are also faced with this prospect; that the cost or at least, the number in receipt of it will decrease from year to year and, towards the end of the fifty years the amount will only be a fraction of what it will be this year.

The importance of mentioning that to you is because I want to ask your indulgence for a moment in order to present some more figures. I started off with the annual cost of \$12,000,000. I am now going to read to you a short extract from an editorial comment which was quoted in our little paper at Moose Jaw, the *Moose Jaw Times-Herald*, from eastern papers.

Among the nations of the world, Canada is a country of vast area, a small population, a huge industrial capacity, enormous potential wealth and a high standard of living ratio.

I might interject, there, for all except the disabled war veteran.

Canadians have not been selfishly keeping what they have to themselves, even though they are accused of having a materialistic outlook and of living the life of Riley. In the last seven years—

This appeared on the 25th of February of this year.

—in the last seven years, they have, through their government, contributed more than \$5,500,000,000, which, in every day language, is 5½ billions, to the European countries and the members of the British Commonwealth in outright gifts, various forms of relief and credits and loans.

Then, the writer proceeds to give an analysis of it, showing a very substantial portion of it is an outright gift. So far as I am concerned, when the government appropriated those moneys, I, with many other Canadians, regarded them as outright gifts because the prospect of ever receiving one penny of that in repayment is very small.

When the government decided to make those very generous and very proper gestures, I was not one of those who said for a minute we should not have done so. There are human relations and human equations that transcend all our values. They exist on an international plane as well as a domestic one. I have nothing but commendation for the government in making these gestures as an attempt at bringing about permanent world peace.

However, it is interesting, considering the matter of compensation on the basis of \$12,000,000 a year, to consider how long it would take to use up that \$5½ billions. It would take about 428 years, 4 months. If you use it up in 50 years, you will pay \$110,000,000 a year. If you pay this \$12,000,000 a year for the full fifty years, the sum total of it would amount to \$600,000,000.

I know you are fed up to the ears with statistics, but these are factual figures. You can make your own deductions from them without the assistance of any statistician. Does it not strike you, I can assure you, gentlemen, it will strike the general public, as an astonishing state of affairs that we can bring ourselves, with good reason I admit, to that state of generosity to pay those amounts out of our public exchequer to strangers and yet we are faced

with such terrific difficulty and reluctance in paying our war casualties \$12,000,000 a year for fifty years, which amount reduces as it goes along.

Those, gentlemen, are the plain facts of the case. That is what the public is asking. That question has been asked of me on innumerable occasions and it will continue to be asked. It is this public reaction which, in a personal way, made me presume to inquire if there has been any objection from the public to the request which the National Council of Veterans has made.

Mr. Chairman and members of the committee, I may be presuming in what I am going to say. However, I believe you men take this thing to heart as I take it to heart and, if I am presuming, I know you will treat me in the way I deserve to be treated. I have come a considerable distance at considerable personal inconvenience to put this question before you. I wish to take advantage of this opportunity which you have so kindly extended to me. I feel I would be remiss to my own conscience if I did not say what I am about to say. Gentlemen, there is a feeling amongst the veterans and amongst the general public that this matter is in danger of becoming a political football. There is danger of a division, perhaps not in this committee, but on the floor of the House, being made on straight party lines. Perhaps I should not say this, but I am going to say it. I, for one, am not a politician. I have been a supporter of the present government. I mention that because my appeal is going to be substantially to the government members of the committee and, through them, to the government members of the House. I know this bill is a treasury bill. I know that according to parliamentary practice, when the principle of a bill is being decided, the government has to stand or fall upon it. The principle of this bill, gentlemen, is not being decided. What the House is being asked to do is to accept the principle of the bill and say to the government, you are not going far enough; we want double that amount.

It is my view, for what it is worth, if any gentleman has a strong sense of loyalty to his party or to his party leader whom he no doubt loves and with whom he has been associated with in friendship for many years; if any of you gentlemen fall in those two groups and feels he must stay with the party line, notwithstanding his own private convictions in this matter, I say to him the proper way to deal with this on the floor of the House is to have the government say that the principle of this bill is admitted and that every member of this House is free to vote according to his own conscience and his own inclinations on the matter. It is important to the well-being of the Canadian nation. It is too vitally important to the mere existence of the disabled veterans to permit the question to attain even the semblance of a political football. I believe the government and all the other members of this House of Commons and the Senate have a duty to the veterans, but for whose sacrifices, by the way, we would not be here today and we would have, to use plain language, damn little to say about who was going to spend their money; that is a fact to bear in mind. I feel every member of the Senate and every member of the Commons is duty bound to see, when this comes to the House for vote that it is dealt with on its merits, completely devoid of all party affiliations.

Now, I want to say this; I am close to the people in the work I have to do and if, by any misadventures, this bill is disposed of on party lines, it will be a catastrophe for those responsible for it. Frankly, I am going to put my neck on the block and say that our veterans and their affairs should be completely out of the scope of party and party. I am quite convinced from what I have read of the discussions which you gentlemen have had that, if you gentlemen who are here today were able to take an absolutely unbiased personal poll, you would find the committee unanimously in favour of the brief which we have presented to you. I think I can presume to make the same statement

in behalf of the members of the House of Commons. As I have said this is, no doubt, a very presumptuous thing for me to do, but men who have served their country as all of you have, have already stuck their necks out and sometimes we are lucky and sometimes we are not. From the reaction of you gentlemen here, I am inclined to think this is my lucky day. I do not think I have done anything wrong in making an appeal from one veteran to another veteran, as I have done.

I have just one more thing to say and that is this; is there any man in this room, any man in the House of Commons who would like to go back to his home and face the prospect of having to live for the rest of his life on \$87 a month? Is there? You are asking your disabled war veterans to do that if you pass the bill as the government has presented it. \$100 a month the dear Lord knows is little enough. How can we face public opinion and say we have \$5½ billions to give away, just like that, without asking anyone's opinion and without any hesitation at all and, at the same time, say we have not only to seriously consider but actively oppose the spending of \$12,000,000 a year for a short period of time to give these men to whom we owe so much some peace of mind and comfortable living for the short years which are left.

My final word is just this; again, I think it is my duty to say that the National Council is determined—after all, this brief first came up a year ago last February at a general meeting in Ottawa—that \$100 a month basic pension is the absolute minimum. From that, there should be a system of corresponding advances for other classes. We are convinced the question of the ability of an individual to earn any money in addition to that has nothing to do with the question because there is a group in that class who cannot earn any more money. The proper way to deal with the matter is to grant an adequate pension. If there is anyone whose circumstances warrants special measures, deal with those cases individually.

As my good friend Judge McDonagh knows, we have a principle in the administration of criminal justice in this country which says it is better for 99 guilty to escape than for one innocent person to be convicted. It is better, so far as I am concerned as a taxpayer and I guarantee every taxpayer will agree with it, that it is better that 99 men should get too much than that one should get too little. We can well afford this owing to the buoyant conditions of our finances as illustrated by the government's budget. This \$12,000,000 can be spared. If it cannot be spared, there are other less deserving places in which economies can be effected.

As I said, our council is determined to see this matter through. If we cannot see it through here, we will have to go to the only other place we can see it through, and that is to the public of the Dominion of Canada. We are so convinced we have their 100 per cent support, we shall take the matter to them with the utmost confidence.

Mr. Chairman and gentlemen, I have presumed a great deal, that I know. For that presumption, I tender my most humble apologies, but a man must speak as he feels in his heart. If he does not, he should not come here. I hope you will receive what I have said to you in that spirit. I hope you will deal with it, as I am sure you will, in the same spirit. I thank you very much.

The CHAIRMAN: It has been the custom in our committee, Mr. Wickens, that following a presentation the members of the committee have an opportunity to ask questions. I assume you are prepared to do that?

Before doing so, I should like at this moment, to thank you for your very excellent presentation today and to say just this personal word. If I ever had any doubts, and I did not, about the recommendation and selection of yourself as a member of the board to administer the canteen funds, I think all such doubt would have disappeared when I listened to your sympathetic presentation this morning.

Before proceeding to invite questions, I would ask Judge McDonagh whether any of the other members of the delegation here this morning desire to be heard. If they do, this is the time for them to be heard. Would you introduce them to the committee, so the committee may know the members of the delegation?

Mr. McDONAGH: It was not the intention of our delegation to belabour you with any continuous barrage on the \$100 or the 100 per cent. We are here to support the increase in the basic rate. It was felt Major Wickens could make the presentation on that particular point. Later on, if there are any questions on any matter apart from that, we will remain until the adjournment of the committee at one o'clock so the members of our delegation will be available to answer questions.

However, the first member of the delegation is Colonel Sidney Lambert, President of The War Amputations of Canada. As your names are called, would you kindly stand?

Mr. Bill Dies, Sir Arthur Pearson Association of War Blinded; also an amputation case; Captain Fred Woodcock, Sir Arthur Pearson Association of War Blinded; Jim Nevins, Army, Navy and Air Force Veterans of Canada; Captain Tom Bowman of the Canadian Pensions Associations; Rudy Lacasse, of The War Amputations of Canada; James MacDonald, of The War Amputations of Canada; Ken Langford of the Canadian Paraplegics Association.

If you wish to ask any questions of our representatives we will be very pleased to try and answer them. If there are no questions, I should like to extend my thanks to the committee.

The CHAIRMAN: Gentlemen, I am in the hands of the committee. If any member of the committee wishes to ask any questions of the delegation for the purpose of clarification, now is your opportunity.

By Mr. Quelch:

Q. There is a question I should like to ask of Major Wickens. It is based on the latter part of the presentation he made. First of all, I should like to congratulate him on a very fine presentation. As you know, this committee has always prided itself on being of a non-partisan character. You made it quite clear you realized that no private member has the power to amend a bill if that amendment will mean an increase in expenditure. Such an amendment must come from a member of the treasury benches. If a situation develops where the committee is not allowed to move an amendment which will bring about an increase in government expenditure; that is to say, if, in the final analysis we have to vote for or against this bill containing merely an increase of 16 per cent, does the National Council of Veterans organization feel we would be justified in voting against the bill which would mean, of course, we would be voting against the increase of 16 per cent?—A. The answer to that, Mr. Chairman and gentlemen, is, making it offhand without due consideration, but I think I would make the same answer if I had time to consider it—if your committee makes a recommendation and the government declines it, you should turn the matter into a vote of want of confidence in the government; that is the remedy.

The CHAIRMAN: There is one obvious comment, I think, on that. When you turn a question—I am not arguing for it or against it, but I think perhaps you realize that one sure way of not having any bill decided on a matter of principle is to have it turned into a vote of confidence because you thereby provide the best escape clause in the world from deciding any question on its merits.

The WITNESS: Except this, you put the members, then, in the position that they place their loyalty to the party before their obligation to the veterans. If the government is going to take the position it is 16 per cent or nothing in

spite of any pension recommendation this committee makes—assuming, of course, this committee will make a recommendation. Of course, if the committee does not make a recommendation of that kind then the responsibility is on its shoulders. If this committee makes a recommendation supporting our brief and the government refuses to accept it then, with all due respect to party affiliation, and mine are just as strong as anyone's, then I say the time has come when the House must be cleaned. I am making this statement with the greatest of confidence because I am sure you gentlemen, returning to the House of Commons, will present the picture as you see it. Then, we shall not have any serious difficulty. If that situation developed, then I am afraid my loyalty to my party would have to be subjugated to my loyalty to the veterans.

By Mr. Harris:

Q. You would be forcing the hand of the non-government members; they might have to vote with the government.—A. That, again, would be their responsibility. After all is said and done, the people to whom members of parliament have to account are their constituents. On an important measure of this kind, they will have to do that.

The CHAIRMAN: The opportunity is available if any member of the committee desires to ask further questions of the witness. I gather you have been a very convincing witness.

The WITNESS: That is a high compliment, coming from an august body such as this one.

The CHAIRMAN: I am in the hands of the committee. Do you desire to ask further questions?

By Mr. McKay:

Q. May I ask this question; I have not heard an answer to this question before. The witness is a representative of the Veterans Council. I have been a little bit concerned about one thing and that is the representation which the witness has behind him in this matter. I should like to know what membership there is involved normally, in the air force veterans, the Canadian Pension Association and all those other organizations which go to make up the Veterans Council. I think we appreciate very much, at least most of us, the very fine brief which has been presented by the witness this morning. I should like to know if he can give figures as to the number represented in the presentation of this brief?—A. Speaking for my own organization, Mr. Chairman, we exceed 70,000; that is the army, navy and air force veterans. I cannot speak for the others, but perhaps their representatives can. I think, perhaps, the honourable member who asked the question overlooked the fact that I said I was also appearing in my personal capacity as a taxpayer and, in that capacity, I represent some 12,000,000 people.

By Mr. Herridge:

Q. I might say, for the witness, I am an opposition member. I have received quite a number of communications from constituents of mine, widows, pensioners of various sorts, all expressing dissatisfaction with the amount of increase indicated in the bill. However, in nearly every case, they said, "Well, even that small amount we should be very pleased to receive". They hope, that even for that small amount, we will support the bill.

I have a letter, received quite recently, in which a woman says, owing to circumstances, she has not been able to have a washing machine for years. She has bought a washing machine and it has been sold to her on the calculation of this bill going through and being made retroactive. If I vote against the

principle of the bill, which principle is an increase in pension. I am quite sure, so far as I am concerned, regardless of the dissatisfaction expressed, that a lot of widows and soldiers whom I represent, are going to be very disappointed.

I claim, Mr. Chairman, it is not quite as simple as the witness says. I am all in favour of increasing the amount suggested by the government, but I just want to put that question to him, and I am speaking from a knowledge of correspondence from a large number of veterans and widows. I think they would be very disappointed if this parliament voted down completely the principle of the bill because the increases were not as large as they would hope them to be?—A. There is one answer. I think, I can make to that, and that is to ask the honourable member if he ever played poker?

Mr. HERRIDGE: I do not like to do that with public affairs.

Hon. Mr. GREGG: I should like to ask one question. I should like to congratulate Mr. Wickens on his presentation. I ask this question quite seriously. If there should be, but pray heaven there will not be, a recession approaching the seriousness of the one in the 30's in the next ten years and, as counsel recommends, the pensions were increased to the \$100 a month, would counsel, under such circumstances, be prepared to recommend that we recede from that position? From what you said about the \$100 per month, is it the opinion of counsel that is something which must carry on as a floor, at least for the next 50 years regardless of economic conditions in Canada?

The WITNESS: I would say, Mr. Minister, in answer to the last part of your question "yes." As to the depression years you gentlemen present who live in eastern Canada do not know what that expression means. Only we people from the west have any conception of what that depression meant, because added to ten years of depression we had ten years of complete crop failures. We had a double dose. In passing I want to say that we people living in the west are not forgetful of the drought benefits we received from eastern Canada by way of contributions to our finances and maintenance at that time, but even in those years \$100 a month, in my view, was not too much for a war veteran to keep him in decency and comfort. The question you predicate cannot be answered in the terms in which it is put for the reason that it entirely disregards the main argument that we advance, the increase in the improvement in the standard of living. A recession in the price of certain commodities is not going to cause a recession in the required standard of living. That is the point. We have got into the habit, in this maze of statistics, of looking at what a pound of cheese cost in 1925 and what a pound of cheese costs now and considering that is the entire question, and if two years from now a pound of cheese goes back to the 1925 price the cost of living has gone down, but there is the standard of living, and to offset any possible recession in commodity prices in the future you have got to lay on the line the improvement in the standard of living that is going to take place between now and then. Of course, it is for the general council to say, but if that question is to be answered by me, answered not on behalf of the general council but for myself, I am satisfied that to the majority of the people of Canada \$100 is the absolute minimum floor for now and all time. If there is ever to be any change it should be upward and not downward.

Mr. HARRIS: Have you any figures or information—

Mr. BENTLEY: We cannot hear you.

By Mr. Harris:

Q. I was going to ask the witness if he has any figures or any information he can give us as to what percentage the standard of living has gone up since these rates were fixed in the old days?—A. That is the improvement in the standard of living?

Q. Yes.—A. Well, in discussing it with men like city welfare officers, ministers of health and public welfare, and not excepting the group to which my good friend the padre, belongs, ministers of the gospel, the general opinion I have received from those sources is at least one-third, but looking around my own home and the homes of my friends I should say in excess of that. The cost of maintaining yourself and family by reason of the improvement of the standard of living has gone up at the very least one-third since 1925. In fact, I think that is a low figure because these improvements in the standard of living are in the more expensive items. Of course, there is no way in which statistics can be obtained for that.

Q. Can you suggest the more important items?—A. How many people had a radio in the period from 1920 to 1925, to begin with?

The CHAIRMAN: Most people.

The WITNESS: Not in our district they did not. How many people had an electric gramophone, how many people had an electric washing machine, and an electric refrigerator, an electric ironer, automatic oil furnaces, and all those things?

The CHAIRMAN: As against that—

The WITNESS: Or automobiles.

By the Chairman:

Q. As against that how many people were able in those times to employ help who no longer need to employ assistance by virtue of these things? Have you taken that into consideration?—A. That is not a matter which a veteran would ever—

Q. It is the standard of living we are discussing.—A. The fact a man has got such a good standard of living that he is no longer willing to accept employment when he can get a better class of employment I think it all to the credit of Canada, not to the derogation of veterans.

By Mr. Isnor:

Q. The point the chairman raised was at that time they were obliged to employ help, domestics in their houses, and because of this equipment you have mentioned— —A. On \$75 a month?

Q. It does not matter. That cost has been eliminated. That is the argument of the chairman.—A. Not eliminated from the pensioner because the pensioner who had \$75 a month could not hire any help.

By the Chairman:

Q. The pensioner who has \$75 a month is a single man. Speaking for myself I am interested in facts. I am very much interested in your presentation, but I am suggesting that in my own home I do not think there is very much change. The only difference is that everything I had in 1925 is now 23 years older. Actually many of the inventions which you have mentioned—and we are now talking about a married man—have replaced help that was required. The cost of upkeep is not as high. They have replaced services which you formerly had to pay for.—A. He had to pay for them if he was able to pay for them, but even on the married man's pension he could not afford to hire help. The point I am making is that fixing the pension on any such basis is going to deny the veteran access to these conveniences, whether it be hired help or automatic devices.

By Mr. Harris:

Q. We are not arguing the point with you. I started out by asking you about the increased standard of living. I have tried to think the matter through.

I think I have covered before the ground you have, that is, electrical equipment and conveniences, but I am quite anxious to have you continue, if you will, and cover that ground thoroughly because I do not think there is any doubt that the committee admits the standard of living is higher now than what it was in 1925. The point is can we agree on what it is, what constitutes it, and so on.

Mr. GREEN: Would you say that it has increased less than one-third?

Mr. HARRIS: I did not say anything about percentages. I said we are agreed it is higher.

The WITNESS: There are a multitude of things. I think if we confine our discussions to naming specific large items we are going to miss some of the most important things. For instance, there is the matter of articles of diet, our standards of food, our standards of personal clothing, our standards and personal desires by way of entertainment, which are continually improving. In our country in recent years they have revived these tours, arranged for tours of distinguished artists whom you people down here in these larger places hear quite frequently. It is very expensive. I do not feel we should deny our veteran population these pleasures of life. They have earned them if any part of the community has. As I say, you have food, you have recreation, you have clothing, all of a higher standard, of a more expensive type, even your shoes. Twenty-five years ago 95 per cent of the shoes were cotton lined, and the soles were paper filled. The shoes now are nearly all leather lined and leather soles and cost three times as much. Is the veteran not to be allowed to have that kind of shoe we like to wear? I could go into details on a million items. I did consider, as a matter of fact, in the short time at my disposal, calling on some of my business friends in Moose Jaw and asking them to make up a list for me, but I thought you had had enough figures, and that it would only weary you to come here with a catalogue two or three pages long of individual items which are now available which were not then. My good friend, Judge McDonagh, has mentioned automobiles to me. Automobiles were not by any means in general use in 1925. They were distinctly in the luxury class. They are almost a necessity now for everybody.

Mr. WRIGHT: I think the matter revolves around the ability of the Canadian people to produce more goods and services. I think our national production has doubled since the period from 1920 to 1925. The point is are we going to make that production available to all our people on an equal basis. Is that not the basis of your presentation?

The WITNESS: Substantially.

Mr. WRIGHT: There should be made available to all classes in Canada the goods which we have the ability to produce today.

By Mr. Belzile:

Q. I was very much interested in the bases for your argument. You said there were six different bases should enter into the consideration in the establishment of a standard for the pension. You mentioned disability, unemployability, diminution of marriage prospects, participation in social life, shortening of life expectancy, and I missed the sixth one.—A. Pain and suffering.

Q. You discounted the cost of living, wage and employment indices as a real basis for the standard of pension. Can you give some percentages as to the relative merit of these six bases which you mentioned? I suppose disability would be at least 50 per cent. Unemployability might be 10 or 15 per cent, and so on. Would you care to comment on that?—A. Judge McDonagh has those decisions to make in his court.

Mr. McDONAGH: As Major Wickens has said it is recognized in law that those are the six things that are considered in a damage action in reaching a verdict. I want to say here, if I may, that there is one part that has not been

considered at all. It is a part with which every member of this committee has had experience, and which is not usually dealt with, but it is a point that was missed in the whole compensation scheme. For the 25 years that I have been around these men I have been there when they have taken their glass eyes out and have washed them. I have been there when they have taken their legs off. I have helped them into bed. I have helped them into upper berths and lower berths. I have helped those in wheel chairs. Those things are not considered in this picture, but they are there, gentlemen, 24 hours a day. The 16½ per cent increase means this, and it does not mean anything else. To the man who is a 100 per cent disability case, 24 hours a day, it is 1½ cents an hour increase or 40 cents a day. As most of us know who were in the armed forces we smoke. If we buy a 35 cent package of cigarettes the government gets at least 19 cents back out of that 40 cents that we get with this proposed 16½ per cent increase. That is the way it boils down to the man in the street, to the man who has suffered and is suffering every day for this country. It cannot mean anything else.

The WITNESS: I think I should answer the member's question a little further.

Mr. SKEY: I was going to refer to Mr. Harris' question on the standard of living.

The CHAIRMAN: If Mr. Wright does not mind waiting for his answer until we have completed this point.

Mr. SKEY: I suggest that Mr. Harris question about the standard of living is very clearly proven by the figures which we have had given to us. Just to give you two of them so there will be no confusion, the first is the purchasing power of an unskilled factory labourer, male. It has risen to 174 per cent from 1925 which means that a factory labourer has had an increase of 74 per cent over his purchasing power in 1925. At the same time the purchasing power of a pension has fallen to 50 per cent of what it was in 1925. I suggest to you, Mr. Chairman, and to Mr. Harris, that we cannot find any clearer proof of the case which is put before us today.

Mr. HARRIS: No—well, we will not argue that now.

Mr. SKEY: Your purchasing power indicates your standard of living.

Mr. HARRIS: It is not the same thing at all.

The WITNESS: Adding a little to what my good friend, Judge McDonagh, said in answer to the question about the basis of compensation, I think I pointed out in presenting those six bases that they were the bases upon which assessments of damages are made for injury received in a civilian capacity. That is the way in which the measure of damages is fixed, but in considering pension we only consider the first one, loss of income. If the matter of loss of income is properly approached competent allowances can be given, and I was not suggesting that we should get into the mess of assessing the various other disabilities which a man suffers and for which in a civilian capacity he would be entitled to compensation. I merely mentioned those things to show the inferior position in which a war casualty is as compared to a civilian casualty, and to draw attention to the fact that we picked only one item, and the lowest standard of that item to determine what pension we should grant. As far as I am concerned, of course, it would be delightful if they would allow the veteran some compensation for all the other miseries he suffers, but frankly I do not think that is generally practicable. It would involve consideration of each individual case, and an individual assessment being made in each individual case. It would be too cumbersome altogether. The organization for which I speak, and myself as a taxpayer, would be perfectly well satisfied if a sufficiently decent living allowance is awarded on the basis of income.

By Mr. Dickey:

Q. On that point is it not true that some of these other bases are compensated for in the case of the veteran in other ways, under our whole system of veterans legislation? That is correct, is it not?—A. Well, only in the case of the helplessness allowance.

Q. No, I am thinking on the question of employability of the statutory advantages of veterans and disabled veterans. There is a training service supplied under the Department of Veterans Affairs, and things like that.—A. There is not much training you can give to a man who is totally disabled to enable him to become employable.

Q. I think perhaps one of the most impressive bits of evidence we have had before this committee has been the tremendous success of the training and placement facilities for the very badly disabled veteran.—A. Partially disabled, yes, but not totally disabled.

Q. Yes, I think there are only 6 per cent of the 100 per cent casualties who are not employed.—A. We are talking at cross purposes. You were speaking of those entitled to 100 per cent disability, and I was thinking of the man who is totally disabled.

The CHAIRMAN: To make that clear—

Mr. LENNARD: I think that is what we had in mind. We were thinking of the totally disabled veteran.

The CHAIRMAN: I am a little confused myself at the moment. Are you thinking specifically of those who have a total disability and are wholly incapacitated? That is one group. If Mr. Dickey was speaking of those who have 100 per cent disability then the figures which he gave—

Mr. LENNARD: 100 per cent disability.

The CHAIRMAN: The figures which he gave as to the comparatively small number of them who are not employable are correct. We got that evidence from one of the departmental officials at the beginning. On the other hand if we are referring to those who are totally disabled and helpless then, of course, that is a different group. Their situation has been materially improved since this committee began.

Mr. LENNARD: I wish to correct my statement. I meant 100 per cent disability. That is what we are considering this morning.

The CHAIRMAN: Then the remarks of Mr. Dickey are in order.

Mr. LENNARD: More or less in order.

By Mr. Harris:

Q. That was something that I wanted to pursue. I have had a look at the schedule Mr. Dunlop put on the record on the last page of our second volume. I remember the witness using this phrase, "would you expect a man to live on \$87 a month?" I think that was one of the sentences in your speech. I wanted to ask you if you have considered this particular schedule of the number of veterans employed who were seriously disabled, and whether you intended to comment on it. Secondly I wanted to ask either Brigadier Melville or Mr. Woods if there are other figures as to the employment of veterans in addition to the schedule that Major Dunlop put in our second volume of evidence.—A. Mr. Chairman, I have one blanket answer to make to any such submission, any such question, and that is this, that a man who has suffered sufficient war disability to qualify for a 100 per cent pension should get it, and if he is man enough in spite of his disabilities—and heaven knows, they are severe enough before he can get 100 per cent—to show the same spirit that he did when he received those disabilities, then the more credit to him, the more power to him.

Q. No, no, I am not arguing the case yet. I am asking for information. Do not misunderstand me.—A. No, no, I am not assuming you are arguing, but that is the answer to that question wherever it is asked.

By Mr. Bentley:

Q. I want to ask one question with regard to something you said. The witness in making his presentation—and I want to say I was deeply impressed by it and am extremely favourable to his recommendations—did say that he believed the great bulk of taxpayers in Canada would agree that the request of the National Council was acceptable. Then he mentioned in a part of his address the days of the depression, and we in the west really got quite a dose of it. I want to ask him this question. You will remember that in those days there was a lot of public controversy on the part of taxpayers with regard to the scale of pensions that some pensioners received. There were a number of taxpayers who complained bitterly because there were pensioners who also had jobs which put them on a standard of living away above the average civilian or other veterans of those days. There were also complaints that the wives of pensioners were occupying positions, and there was some public demand that those wives should be removed to make way for other people. I hope we do not ever go back to those days again. That is the hope we all have, but if it should so happen do you seriously feel that the taxpayers would be behind you in the application of this scale of pension rates under those conditions, as you feel they are at the present time?—A. In answer to that I would say that a body of taxpayers who would see their government, without one word of dissent, give away $5\frac{1}{2}$ billion dollars can be relied on not to quibble over the condition of the veterans even if tough times do come. If we do find quibblers when tough times come, if they come, which as you say, God forbid, I think there are enough of us who are men enough to explain the situation and to see that the few dissenters are convinced. In our city there was a little of the sort of thing you speak of, but when it was run down it was a malcontent group which had raised the question, a group which never at any time contributed very substantially to the well-being of the community, and who only to a very small extent were ever substantial taxpayers. I was on our relief board during those terrible years, and I was chairman on the minimum wage board during five of those terrible years. I was pestered to death by people pressing me with statistics to show that a girl working in a restaurant should have her wages reduced because the price of grand pianos had gone down. That is one of the reasons I do not care for statistics.

Q. I am glad to hear the witness say that. I was chairman of the relief committee of our town at that time, too, and I know about some of those things. I want to get that clear before the committee.

Mr. McDONAGH: May I add that there was the other side of the picture, too, which we should keep in mind, that in many firms pensioners were the first ones let out. If an employer knew a man was a pensioner during the years of depression that was the case. We, who were known as the big five in the veteran movement, then had to come down to Ottawa and spend three days here to convince the government of this country that civil servants who were in receipt of a pension were entitled to both, and were not to be forced to accept the pension or the salary which was the case under the proposal. We convinced the government they were wrong, and they withdrew their idea.

By Mr. Benidickson:

Q. The witness has repeated the statement that some $5\frac{1}{2}$ billion dollars were given away, as he says. I wonder if we could have a breakdown of that. I was under the impression that certainly since the end of the war our loans and gifts only totalled about \$1,800 million. Is the witness including ammuni-

tion and other things we gave during the war to our allies that were produced in this country?—A. The newspaper I am quoting from says during the past seven years.

Q. Do you have the breakdown?—A. The figures that they give here are 1 billion dollars outright gift to the United Kingdom, \$19,382,000 we gave to Greece, \$2,211,070,000 to nine countries under the mutual aid section of the War Appropriations Act. My observation on that is while they are said to be loans in fact they are gifts, and we know it. Every one of us knows we will never see a cent of it back.

Mr. LENNARD: I do not think we are interested in a lot of details. We are foggy now with a lot of statistics that we have been over in the past two weeks. Whether it was five billion or six billion or whatever it was it does not matter very much. It is the principle of the thing.

The CHAIRMAN: On that point there was just one thing in the answer which Mr. Wickens gave in answer to Mr. Bentley's question. He felt that the taxpaying public who willingly gave away $5\frac{1}{2}$ billion dollars would not quibble. I could not help but wonder if he was taking into consideration that they gave away that $5\frac{1}{2}$ billion dollars when they were flush. The $5\frac{1}{2}$ billion dollars very likely will not be available under conditions such as Mr. Bentley mentioned. I did not think it was a perfect answer.

Mr. QUELCH: I should like to reply to that briefly. The Minister of Veterans Affairs himself raised the point whether or not the witness would favour pensions being increased, and that level being continued during a depression. I should like to refer you to the statement made by one of the leading economists in this country. I refer to Mr. Graham Towers. In his 1946 report he stated that optimism in this country was dangerous, that people did not realize that the present high demand for goods would not continue. He gave the reasons there for it. He pointed out that the reason the demand would not keep up was because the purchasing power of the people would fall. Therefore it was necessary to take steps to help to maintain the purchasing power in the future. If a depression comes it will not come because of lack of goods. It will come solely because people will not have the money to buy them. The government can build up certain forms of resistance against that. They are building up a shelf of national projects, but I would suggest that a very good form of resistance would be to continue to maintain a decent pension so that veterans will be able to continue to buy the same quantity of goods. That at least would help to lessen the effect of a depression.

Hon. Mr. GREGG: I do not want to review that because I hope that will be the case, but I do want to ask the witness a question in the same spirit that other questions have been asked. I will lead up to it this way. You have mentioned the single man in one case and the family in another. These gentlemen around here are all veterans. The younger ones and their associates of the recent war are very quickly getting married. I think we had the average the other day and it was a man and his wife and two children, amongst pensioners.

Without going into statistics I think we might take that average as a case in point. You have brought forward six points, five in addition to the compensation, and all factors on the debit side. While they may not be great I think one should point out that there are some factors which are slightly on the credit side, in my opinion. I can think of three offhand.

One is related to the point Mr. Dickey brought out, that the young veteran can get training. The young civilian has to pay out or borrow money to do it. If the young veteran has a leg off he does get some compensation. If the young civilian gets a leg off in his work, the lawyers will be able to tell better than I can if he took action against the firm what compensation he would get. I doubt whether it would be equivalent to the pension, but you can tell me whether I am right or wrong.

Then, there is another small consideration. The young civilian, who is married and has two children, has to make some arrangement for the security of that little family if he is killed. The pensioner is relieved of that responsibility. Now, with regard to what has been said here, I am one of those who does not feel we should always meekly follow the example of the great republic to the south. I say that sincerely. At the same time, there are a great many people in this country who do feel that, somehow, in a general way, our economy has to be related to the great United States. As it stands now, the United States is somewhat above us as to the cost of living, prices and all the rest of it.

At the present time, with that average family, our average veteran will receive, if the present proposals go through, \$132, which is more than the same average veteran across the line.

Mr. GREEN: That is only considering a single case.

Hon. Mr. GREGG: I am taking the average pensioner with a wife and two children.

Mr. GREEN: What about the other cases, a married man with no children or a single man?

Hon. Mr. GREGG: In the case of a single man. I agree, it is less. We have been speaking now of the responsibilities of the pensioner. I come back to the point; do you really believe, if there were a recession on this North American continent, that we could hold to that figure under those more serious conditions? This is a point to which I have given a great deal of consideration during the past few weeks?

The WITNESS: There is one answer to make to that and one answer only; it is good business not to cross bridges until you come to them. When that situation arises, I am sure the members of the House of Commons and those who have charge of the affairs of the country will give it consideration in view of all the circumstances and will do what, in their judgment, must be done.

If I may be permitted to say so, with all due respect sir, that does not seem to have very much to do with what we are going to do today. It seems strange to consider what we will or will not do, if and when some situation may or may not arise. I do feel that the present allowance is what we should consider.

Following what you said, I do not care whether the Americans get 5 cents or \$5,000,000. What we are going to do with our veterans is between ourselves and our conscience.

Mr. LENNARD: I do feel that if it ever comes to the point where this country is so hard up it cannot pay veterans' pensions, then we will all be broke and it will not matter very much, anyway.

The CHAIRMAN: That may be true, but there will not be much satisfaction in that.

Mr. DIES: May I say a word? After all, I am one of those chaps about whom you are talking. In 1917, because I was an able-bodied citizen of this country, I was able to be in the front line at Vimy Ridge. At three o'clock one morning, on a raid, because I was able-bodied, had good eyesight, good arms, good legs, I lost two eyes and one arm. Now, I would not have anybody in this country think for one minute that there is enough money in the country to compensate me for what I lost. I want that very clearly understood. There is not enough money in the country. When I joined the services, I volunteered against the better judgment of my employer because I was a war worker. I volunteered because I thought it was the manly thing to do, and I still think I did the manly thing. So strongly do I hold those views that my children served in the last war. Now, that is one thing.

The salary I left was greater than this grateful country has given me as a pension in the last thirty years. Now, I have taken it. I have never peddled

my disability but I am going to say right here and now that the thing which kept me going was my loyalist background and the guts my ancestors gave me, not what the government did for me.

The last time we were here, there was a French lad who spoke of his children and his wife. Now, I experienced the same thing. My fear was that my wife, who was my pre-war sweetheart and became my post-war wife and the post-war mother of my children, might not live on the standard which she might have had had I not served my country. Now, it rather amazed me here, this morning, to find that my son, who himself, went out of a friendly country in an age such as this, when we are fearful that tomorrow there might be a depression—you cannot pay us in dollars and cents for what we did for the country, but for God's sake make an effort. Sixteen per cent is just not enough. I can go right on the record and say it is just not enough.

I am going to take credit for having some guts and a lot of good friends; not government employees and members of parliament, in the post-war years, with the result I got by pretty well. I can go back to 1917 and 1918 and, believe you me, the standard has changed today. This is today. These young people have one life to live. This is the life. These young people have one time to get married. This is the time. They have one time to have children and that is when they are young. This is the time, now. For God's sake make it easy for them. If you do that, we will not be worried about the iron curtain or anything else. Now, give these young people a break.

Mr. Chairman, I could not let this opportunity pass because I have worn two glass eyes, and they are not very comfortable. I am looking around the room, but I do not see you. I wear an artificial arm. I have chronic bronchitis and, unfortunately, this morning due to my defective hearing, I have had a little difficulty in hearing what has been said. So, a man who has multiple disabilities just sort of passes this on to you. Think of your country's future. After all, 80 per cent of those who enlisted voluntarily in the last war were the sons and daughters of those who served in the first war. The men who will fight the next war, if we can wait long enough, will be my grandchildren, my children's children, providing this country does the right thing by our young people.

Now, I do not think I will say any more except that we would have less to worry about in connection with these foreign powers if we did the proper thing now. Now is the time. One hundred dollars a month is not at all too much. I agree with our president, Mr. Wickens, that you should cross bridges when you come to them. Thank you, very much.

The CHAIRMAN: Are there any further questions to be directed to either Judge McDonagh or to Major Wickens?

Captain BOWMAN: I should like to make one or two comments. I should like the committee to bear in mind when thinking of the forthcoming depression that there are a lot of other incomes in the country besides the pensioner whose recipients are people of integrity, the same as the pensioner is. They will help the country meet the situation when the time comes. A lot of them helped the country out before. I do not have to mention the other sources of income which the taxpayer might use if we ever get back to the days of \$9 for a suit and 25 cents a dozen eggs.

I do not have to mention the numerous bodies of people who would say, "Well gentlemen, I do not need as much as I am getting now because things are cheaper". You can rely on the fact that the pensioner will be one of the first to come to the rescue of his country if such a time ever comes. However, are you going to penalize him now? It is like calculating whether a horse is going to win a race when the horse is only one year old. We do not plan on what is going to happen in case of a depression; we can rely on you gentlemen, and we can rely on other people. People will say, "We do not need to take this money out of

the firm". The Civil Service took a reduction voluntarily and everybody would do the same if conditions warranted it. Do not penalize people now just in case a depression might come along.

The CHAIRMAN: I understand from Judge McDonagh that it is not likely the Council will make further representations with respect to the pension legislation before us. Yesterday, we heard what I believe to be the conclusion of what the Legion wished to say on this topic. However, there were one or two points which came up for discussion in connection with the representations as made by the Council when Colonel Baker was here, about which the committee seemed to be not quite clear. Judge McDonagh said to me this morning that he would welcome an opportunity of clarifying, in so far as it may be necessary to do so, the position of the Council with respect to multiple disabilities. There may be some other aspects of the brief upon which someone else would want to question representatives of the Council. I have asked Judge McDonagh and he has agreed to try to clarify that particular recommendation.

Mr. McDONAGH: Mr. Chairman and gentlemen: I think the confusion possibly is as a result of a misunderstanding of what Colonel Baker said which, I believe, appears on page 48 of issue No. 1 of the proceedings of the committee. As I understand it it is this; in the case of a multiple disability whose added entitlements are in excess of \$100 and he is in receipt of helplessness allowance, he shall be given his helplessness allowance, his 100 per cent pension and then 50 per cent of this entitlements. above 100 per cent.

The CHAIRMAN: You mean \$100, not 100 per cent.

Mr. McDONAGH: To me the 100 per cent is synonymous with \$100 now, you see.

The CHAIRMAN: We have not progressed that far, as yet.

Mr. McDONAGH: I could not resist making that point. There is a discussion with which I am sure the committee is familiar, as to the difference between the American system and our system, where there are such things as battle casualties for which there is a war disability compensation and other disabilities which are not considered as incurred in service. They are considered as a pension. I do not think we have any confusion here.

We did make the suggestion in 1945 that these particular men were entitled to consideration. We are just reiterating it now. That man Brant, I think it was, an amputation case will have over 200 per cent disability. Certainly he is entitled to something.

The CHAIRMAN: To something additional?

Mr. McDONAGH: Something additional, yes; he has suffered far beyond what anyone of us will ever suffer. He is suffering every day.

Mr. GREEN: In your remarks a minute ago, you said that this applied to cases where there was helplessness allowance. A I read Colonel Baker's evidence, he included also those cases in which a man was not entitled to helplessness allowance.

Mr. McDONAGH: The reason I said that, in reading the proceedings of the committee, I felt some members of the committee had misconstrued it and had not included the matter of helplessness allowance; that is where the confusion came. It was Colonel Baker's intention that the man get his helplessness allowance, regardless of his 100 per cent pension and regardless of what he received over the 100 per cent under War Veterans Allowance Act. According to General Melville and the Act, helplessness allowance is not considered as income, but war disability compensation is.

Mr. GREEN: But you are also asking that the man who had disability of over 100 per cent and is not entitled to helplessness allowance receive the 50 per cent of the excess over 100 per cent?

Mr. McDONAGH: Oh, yes.

The CHAIRMAN: Are there any other questions on that aspect of the presentation? Are there any further questions with respect to any other point? It would be unfortunate, I think, since we have Judge McDonagh and his advisers here, if we were in the position of regretting later when we come to make our decision, that we are not clear on certain points. I am in the hands of the committee.

Mr. McDONAGH: I realize there is a difficulty in regard to 11 (c). We did not make any representations in our brief this year in that connection. If I may, may I say something which may be rather personal, coming from a representative of a veterans organization? I feel, so long as we have as chairman of the Commission, a man like Jim Melville, we have no need to question the honesty of any decision the commission may make in its interpretation of section 11 (c).

The CHAIRMAN: Are there any further questions?

Colonel LAMBERT: If the committee is about to adjourn, Mr. Chairman, I wish to say a word. I did not intend to say anything since I have not been feeling very well. However, my friend Eddie, who is one of our dominion representatives, our friend Eddie Baker who, in my opinion, has been the outstanding witness, Mr. Chairman, asked me to say a few words to you. I do not know what there is between you two, you must have been in the engineers or something together.

In any event, Eddie asked me, before he was taken away for this convalescence, to bring a word of congratulation to you on being appointed chairman of the committee. He knew that you were well aware of these conditions. Evidently, you and he soldiered together and if you soldier with somebody, whatever differences there may be about things, they are always smoothed over. He asked me to just say a word of congratulation to the chairman and also to the other members of the committee.

I think the evidence has been placed before the committee. The way it has been received, in my opinion, has been wonderful. We have read every bit of evidence and the way you have received everyone has been wonderful.

In my opinion, the program for the veterans of this country, the widows and children and the dependents of those people has been put before this committee in a remarkable way. I think you will agree with that. However, I do not believe any organization put it better than the National Council. I want to pat them on the back. We had a lot to do with. We do not want to do very much more. We have another little thing up our sleeves, you know. If we do not win here, before you, we have another little thing up our sleeve. We will win another way. How would you like to see all the disabled veterans prospective candidates for parliament in this country? How would you like us to go also to the United Nations, identify ourselves there, and change world conditions so that never again will we have this anxiety; never again will there be any more of these casualties in war?

So long as they are here and they have done these things for this country and, God knows, they have done a great deal, we must look after them. You should come on my travels around Sunnybrook. Most of these fellows have tremendous handicaps. If you travelled with me every day along the boards of Christie street and Sunnybrook, that wonderful place which you are going to see this week, I understand, you would realize what it means to be in the position some of these fellows are in.

I do believe we have set a good program before the people of this country. We could have done this before, Mr. Chairman. The reason we have not done a thing since war broke out during our convention in 1939 is due to the fact we agreed with Tom Bowman's suggestion here that we served our country first. We were aware of the fact that this question of war disability should have

been dealt with long before this. We are just putting this matter in your hands. I believe you know in your minds exactly what you should do.

It is my privilege, on behalf of my friend Eddie Baker to say to you, sir, and the other members of this committee, that I believe the House of Commons, when it deals with this question, will deal generously with the ex-service men, women and children. If they do that they will not only have the approval of the veterans, because we are always approving, but they will have the approval of everyone. We are not being adamant. We are out to approve and to help. We are organized as veterans to keep the veterans lovely and sweet. We are organized because other voices you hear these days are great big loud voices which were shut up during the war; the voices of the veterans should be heard.

We are speaking to you on behalf of those we represent. The reason we have come here is because we know these fellows need the \$100 a month. If you give them that, we know you will be doing something that is fair and honest to those who need it.

May I express the thanks of our group to the committee for being so wonderful to us. We are only a skeleton group here today. We had a formidable group here before, but we are only a skeleton group today because we have not the money to bring down the more formidable group. These are the shock troops of the veterans. We will win. Thank you very much.

The CHAIRMAN: I am not a modest man, and I do not pretend to be, but I was touched by the reference to my good friend Eddie Baker. I never soldiered with him. "Soldiering" in this committee has two connotations. I have had the privilege of working with him for a great number of years in connection with veterans affairs. I do hope Eddie Baker will be quickly restored to his usual cheerfulness and be back to work with us.

Someone has asked me a question on another point which I think I might mention. When Colonel Baker was here, there was a thought in the minds of some of the members of the committee that Colonel Baker recommended a restriction to battle casualties. Now, was that a firm recommendation or not?

Mr. McDONAGH: That was a recommendation, but it is one concerning which we are not familiar with government policy. It rather throws into the pot the whole insurance principle which is now in the Act and it would require a great deal of study. While, personally, I think there might be a differentiation between those who actually served on an actual front and incurred a disability and those who, unfortunately, were kept at home and did not get into active service; there might well be something there. It was the intention of Colonel Baker, and it is the firm intention of the Council that that should apply to those who were battle casualties, whether they be wounds or heart or lungs, so long as it was incurred on active service.

The CHAIRMAN: Then, Judge McDonagh, Colonel Wickens and others who have appeared before this committee, on behalf of the committee, I extend to you our hearty thanks for your advice and counsel. I do not believe it to be the duty of the chairman to comment on the evidence, but to maintain order and make sure the evidence gets out. I can assure you the committee will give serious consideration to your recommendations and ignore completely any of the even jocularly extended veiled threats.

There is one thing I should like to say and with which every member of the committee will agree. Interested as we are, individually, in the disabled veterans of this country; anxious as we are to help any of them; willing as we are to accept their advice; I think I can speak for every member of the committee when I suggest to you, in all seriousness, and to all your disabled veteran friends, whatever you do in the way of trying to improve your lot or

get a living, for God's sake, gentlemen, do not go into politics. A motion to adjourn is in order.

Mr. GREEN: Is the committee sitting this afternoon?

The CHAIRMAN: No, the steering committee decided that if the evidence was not completed, in order not to retain the Council any longer than necessary and incur expenses, we would sit in the afternoon. Since the hearing has been completed, the committee will meet on Tuesday morning at eleven o'clock as usual.

The committee adjourned to meet again on Tuesday, April 27, 1948, at 11.00 a.m.

APPENDIX "A"

OTTAWA, April 22, 1948.

THE SPECIAL COMMITTEE ON VETERANS AFFAIRS

Subject: Representations by Legion Commission—22nd April, 1948.

Mr. Herwig, the Dominion Secretary of the Canadian Legion, presented five cases from their files to illustrate the effect of the exceptions in Section 11(1)(c), to which the Canadian Legion take objection.

Accompanying this is a summary which has been prepared by the Commission from the service documents and official records for each of these cases.

J. L. MELVILLE,
Chairman.

Re: A-49869—O'Shea, Charles W.

Service: 6-8-40 to 19-9-44—Overseas.

On examination for enlistment history of tonsils and adenoids in childhood.

21-8-44 MFB 227 (discharge board)—"Has had nose trouble ever since he can remember". Nasal specialist reported chronic rhinitis with polypoid degeneration. Diagnosis—chronic maxillary and ethmoid sinusitis. Internist—frequent colds in civil life. Caught cold on way to Sicily; cough ever since; nose blocked. History on medical board "This man dates sinusitis to childhood. He has received treatment for it ever since".

12-9-44—Departmental Chest Consultant "Attestation film of Aug. 6, 1940 shows the pulmonary and media stinal shadows to be the same as in the later Westminster Hospital films."

15-9-44—Extract from Case Sheet Westminster Hospital—has had some sinus trouble since childhood.

23-12-44—Canadian Pension Commission decision: (1) Bronchitis; (2) Sinusitis—Pre-enlistment conditions, not aggravated during service.

20-1-45—Applicant—"Ever since I was a youngster I was bothered quite a bit with colds in the head which caused a stuffed up nose. When I was about 10 years old the doctor said I had adenoids so at that time I was operated on for tonsils and adenoids but the stuffiness continued and about ten years ago I went to a nose specialist, a Dr. Eisinger, here in Cleveland, who told me I had a bone obstruction. He treated me for about three weeks, twice a week, and this only gave me temporary relief. This was the only time I actually had treatment but for years I always carried a benzedrine inhalor and used that when I had a cold."

1-3-45—Canadian Legion requested renewal consideration in respect of "Bronchitis and sinusitis which the applicant claims were aggravated during service and that the aggravation was attributable to his service.

22-3-45—Canadian Pension Commission decision: (1) *Bronchitis*—Pre-enlistment, wilfully concealed on enlistment, aggravated during service in a theatre of actual war two-fifths; award effective date of discharge. (2) *Sinusitis*—Pre-enlistment condition, not aggravated during service.

29-3-45—Applicant advised of Commission decision and the method of procedure should he wish to make further application.

9-4-45—Pension Payment of \$100.

Comment—To date there has been no appeal against the decision of March 22, 1945. A letter dated 17-4-48 has been addressed to the Canadian Legion enquiring if there has been any request on behalf of the pensioner for renewal consideration or appearance before an Appeal Board and if there is any additional evidence for the consideration of the Commission.

Re: C-63201—WILLIAMS, C. R.

Service: 13-8-40 to 16-2-44—Overseas.

On examination for enlistment—history of rheumatism.

February 1941—Influenza (history of always having nasal obstruction and nasal discharge) allergy suspected. X-ray showed infected right antrum with polypi.

November 29, 1943—Nasal Specialist—history of colds in head for several years or so, headaches, chest colds, expectoration, nasal septum deviated to left.

January 14, 1944—Medical Consultant "Always had repeated colds but while overseas was much worse. Had a cold all the time. This man has a mild bronchitis which is secondary to his chronic upper respiratory infection. He was never in hospital overseas.

January 26, 1944—History to Medical Board—Nose blocked all the time and I have a chronic cough. Had a cold at Debert early in 1941.

June 13, 1945—Canadian Pension Commission Decision—(1) Chronic Sinusitis resulting in bronchitis—pre-enlistment in origin, wilfully concealed at time of enlistment, aggravated two-fifths during service in a theatre of actual war. Award effective from date of discharge. (2) Metatarsalgia—Incurred during service in a theatre of actual war. Award effective from date of discharge. (3) Chronic Tonsillitis—Pre-enlistment condition—not aggravated during service. Pension payment of \$100.00 granted.

June 21, 1945—Pensioner advised of Commission decision and of the procedure he should follow should he be dissatisfied with the Commission decision

Comment—To date there has been no appeal against the decision of June 13, 1945. In February 1941 when treated for influenza there was a definite history of pre-enlistment nasal obstruction with discharge and the X-ray completed at that time showed a chronic condition. This history was repeated subsequently.

This pensioner on examination for enlistment did not reveal that he had nasal trouble in the pre-enlistment period. On the history the Commission ruled that the nasal condition resulting in bronchitis was wilfully concealed on examination for enlistment. This decision was based on the very definite history of pre-enlistment symptoms. The crucial factor is, did the applicant when questioned on enlistment as to nasal trouble deny the existence of the condition in order that he might be accepted into the forces.

As stated above there has been no appeal against this decision.

G-1093—VAUTIER, E. G.

Service: 28-10-42 to 5-3-46—Overseas.

28-1-46—Discharge medical board states he was treated for Otitis Media in October 1945. History of ear trouble as a child. Hearing for conversational voice reported as normal.

6-3-46 to 9-3-46—Departmental treatment for external otitis with good results.

8-3-46—Service Employment Record—"Employed largely as an ambulance orderly with R.C.A.M.C."

10-4-47—Canadian Pension Commission decision: Otitis Media with Otitis externa—Pre-enlistment condition, wilfully and deliberately concealed on examination prior to enlistment, aggravated three-fifths during service in a theatre of actual war. Effective date of discharge. (Sec. 27 (1) (2)).

24-4-47—The applicant in a letter to the District Pensions Advocate in Saint John stated in part: "Even though from childhood to the age of 29 the only ear trouble I can remember is having an ear stringed when I was called for an O.C.T.U. interview in June '42. Then when I saw the Dr. in Bathurst he told me I needed an ear stringed, which I would get in Saint John. After questioning he told me it was nothing and at the time I dreaded too much being turned down due to an operation for hernia to reminisce back to child what I then considered an insignificance. Besides who are they all the born soldiers, who know all the answers on attestation? When I suffered ear-ache in the army I then remembered that I had sometime in childhood suffered ear-ache. Having lately given much thought to approximately how old I was when I did, I've come to the conclusion that I could not be more than six years old, since I cannot remember ever missing school due to ear-ache."

12-5-47—Veterans Bureau in reply to the District Pensions Advocate, Saint John, stated in part "If this pensioner nevertheless objects to this expression, it is possible that we could induce the Commission to change the decision to 'recorded on medical examination'. If such is the intention, we believe it would be better to ask for a Renewal hearing."

30-4-47—Ear Specialist Report—hearing normal for conversational voice. Diagnosis—chronic external otitis.

Comment—No pension is in payment in this case as there is no loss of hearing and the condition is not disabling. His present pension status grants treatment benefits.

To date no appeal has been entered against the Commission decision of April 10, 1947.

B-38979—ANDERSON, James F.

Service: 31-7-42 to 11-10-45—Overseas.

On medical examination for enlistment on July 26, 1942, there appears the following entry: "Gastric Ulcer April 1935. Ulcer not shown. Has attacks of stomach pain after. No signs of gastric or duodenal ulcer".

28-1-45—Dyspepsia (?) Peptic Ulcer—Complaints, indigestion for several years.

14-4-45—"First developed epigastric symptoms about 1937. X-ray at Toronto General Hospital was suspicious of an ulcer."

12-7-45 to 26-9-45—Hospital Record—duodenal ulcer healed.

3-10-45—Discharge Medical Board—Duodenal Ulcer—origin, pre-enlistment.

6-12-45—Canadian Pension Commission Initial Decision—Duodenal Ulcer—pre-enlistment condition, not aggravated during service.

23-4-46—Canadian Legion requested renewal consideration. As additional evidence the Legion forwarded a statement from the applicant dated January 23, 1946, in which he stated in part: "In April 1932, as near as I can recollect, my stomach was inclined to be sore and I paid a visit to Dr. C. G. Bryan. He suggested an X-ray and I went to the Out-Patient Department, Toronto General Hospital and was told that it was an ulcer; was given a printed sheet listing foods I should not eat." The Toronto General Hospital in a letter dated March 9, 1946, reports that the applicant consulted in 1935 at the out-patient Department. He gave a two year period of pain in the upper abdomen occurring 1½ to 2 hours after meals. X-ray examination was negative for duodenal ulcer.

3-10-46—Canadian Pension Commission Decision: Duodenal ulcer—Pre-enlistment condition, recorded on medical examination prior to enlistment, aggravated two-fifths during service in a theatre of actual war. Award effective date of discharge.

Following Commission decision pension authorized under Class 20 as from date of discharge from the active force.

20-10-47—Canadian Pension Commission examination—pension continued at the same rate.

Comment—To date there has been no appeal against the decision of October 3, 1946.

No. 29544—DEVLIN, John

Service: C.E.F. 23-9-14 to 25-4-19—France

A.F. 23-9-40 to 1-9-43—High Seas

21-6-43 to 11-7-43—treatment for duodenal ulcer. History of pain in abdomen antedated enlistment and while at sea attacks became more frequent.

30-6-43—discharge medical board 227—Age 48—"Attacks of pain in the belly antedated enlistment".

6-8-43—Naval Board of Enquiry findings—disability was not attributable to the performance of Naval service but has been aggravated by service in the Naval Forces.

1946—operation for perforation of duodenal ulcer.

7-8-46—Canadian Pension Commission Decision—Duodenal Ulcer—Pre-enlistment condition, wilfully concealed, aggravated three-fifths during service in a theatre of actual war.

24-10-46—Canadian Pension Commission decision—Adjust pension as from 12 months prior to August 7, 1946. Pension awarded at 15% for duodenal ulcer.

13-8-46—Canadian Pension Commission examination—no change in assessment.

17-9-46—Applicant and Canadian Legion advised of Commission decision as well as procedure to be followed in the event of a request for reconsideration.

Comment—To date there has been no request for review of entitlement since the Commission decision of August 7, 1946.

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Canada Veterans Affairs Special Committee
Oct. 1947/48
SESSION 1947-1948

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 11

TUESDAY, APRIL 27, 1948

WITNESSES:

Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs;
Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman,
Canadian Pension Commission.

MAY 8 1948

OTTAWA

EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY

1948

REPORT TO THE HOUSE

TUESDAY, April 27, 1948.

The Special Committee on Veterans Affairs begs leave to present the following as a

FOURTH REPORT

Your Committee recommends that the Government consider the advisability of introducing, at the appropriate time, an amendment to Bill 126, An Act to amend the Pension Act, to provide an increase of twenty-five per centum in the amounts set forth in Schedules A and B to the Pension Act.

Your Committee further recommends that the Government also introduce an amendment to the said Bill 126 to remove the discrimination as to rank contained in subsection two of section twenty-six of the Pension Act.

All of which is respectfully submitted.

L. A. MUTCH,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, April 27, 1948.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Croll, Cruickshank, Dickey, Dion, Emmerson, Fulton, Gauthier (*Portneuf*), Gregg, Green, Herridge, Isnor, Jutras, Lennard, MacNaught, McKay, Marshall, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Skey, Viau, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission.

The Committee resumed consideration of Mr. Herridge's motion of March 16, viz.,

That the Committee recommend that the amounts set forth in Schedules A and B to the Pension Act be increased by Twenty-five per cent.

and Mr. Brooks' amendment thereto of March 19, viz.,

That all the words after the word *that* in line one be struck out and the following substituted therefor:

1. This Committee at the present time consider only Section 13 of Bill 126 and Schedules A and B thereto.

2. That this Committee recommend that Schedule A to Bill 126 be amended to provide as follows:

(a) That the basic rate of pension be \$1,200 for the following ranks: Lieutenant (Naval), Captain (Military), Flight Lieutenant (Air) and all ranks and ratings below;

(b) That the basic rate for additional pension for married members of the forces be \$400 per year;

(c) That additional pension for children for all ranges be—

First child	\$240.00
Second child	192.00
Each subsequent child.....	160.00

3. That this Committee recommend that Schedule B to Bill 126 be amended to provide as follows:

(a) That the basic rate of pension for widow or dependent parent: Lieutenant (Naval), Captain (Military), Flight Lieutenant, (Air) and all ranks and ratings below be \$960 per year;

(b) That additional pension for children or dependent brothers or sisters for all ranks be—

First child	\$240.00
Second child	228.00
Each subsequent child an additional.....	160.00
Orphan child or orphan brother or sister..	480.00
Second orphan child	384.00
Each subsequent orphan child an additional	320.00

After discussion, and the question having been put, the amendment was negatived on the following recorded division:

Yeas: Messrs. Bentley, Blair, Brooks, Fulton, Green, Lennard, McKay, Marshall, Moore, Pearkes, Quelch, Ross (*Souris*), Skey, White (*Hastings-Peterborough*), Wright—15.

Nays: Messrs. Belzile, Benidickson, Blanchette, Croll, Cruickshank, Dickey, Dion, Emmerson, Gauthier (*Portneuf*), Gregg, Herridge, Isnor, Jutras, MacNaught, Viau, Winkler—16.

Mr. Bentley moved, in amendment to Mr. Herridge's motion:

1. That Schedule "A" to Bill No. 126 be amended by striking out the figures in all the classes for the ranks "Lieutenant (Naval), Captain (Military), Flight Lieutenant (Air) and all ranks and ratings below" and substituting therefor the following figures in the respective classes:

Class 1	\$1,125 00	Class 11	\$562 50
Class 2	1,068 75	Class 12	506 25
Class 3	1,012 50	Class 13	450 00
Class 4	956 25	Class 14	393 75
Class 5	900 00	Class 15	337 50
Class 6	843 75	Class 16	281 25
Class 7	787 50	Class 17	225 00
Class 8	731 25	Class 18	168 75
Class 9	675 00	Class 19	112 50
Class 10	618 75	Class 20	56 25

2. That the said Bill be further amended by inserting in the said Bill a further section, numbered 4A to read as follows:

4A. Section 11 of the said Act be amended by adding the following provisoes to sub-section (a) of the said Section 11:
Provided however

- (I) If at any time during the currency of such pension the cost of living index, as established by the Dominion Bureau of Statistics under the provisions of the Statistics Act being Chapter 190 Revised Statutes of Canada 1927 and Amendments thereto, rises above 143 points, the pensions awarded under the said Schedule "A" to Lieutenant (Naval), Captain (Military), Flight Lieutenant (Air) and all ranks and ratings below shall be increased by a cost of living bonus equal to \$1 per month for every point of the cost of living index number over and above the basic index number of 143 and so long as such basic index number remains above 143.
- (II) If in accordance with the next foregoing provision the pension plus cost of living bonus awarded to the ranks of Lieutenant (Naval), Captain (Military), Flight Lieutenant (Air) and all ranks and ratings below, equals any of the pensions awarded to the 4 groups of higher ranks set forth in said Schedule "A", then the pensions of such higher ranks shall be increased by a cost of living bonus equal to \$1 per month for every point of the cost of living index number over and above the cost of living index number existing at the time when the pension and cost of living bonus of the lower ranks equals the pension of any of the higher ranks, and so long as such index number remains above the point at which the cost of living bonus for the higher ranks becomes payable in accordance with the provisions hereof.

And proportionate increases for veteran pensioners' dependents and for dependent heirs of deceased veterans.

After discussion, and the question having been put on the amendment, the Committee divided as follows:

Yeas: Messrs. Bentley, Blair, Brooks, Fulton, Green, Lennard, McKay, Marshall, Moore, Pearkes, Quelch, Ross (*Souris*), Skey, White (*Hastings-Peterborough*), Wright—15.

Nays: Messrs. Belzile, Benidickson, Blanchette, Croll, Dickey, Dion, Emmerson, Gauthier (*Portneuf*), Gregg, Herridge, Isnor, Jutras, MacNaught, Viau, Winkler—15.

And the voices being equal, the Chairman voted *Nay*, and declared the motion negatived.

And the question having been put on Mr. Herridge's motion, it was unanimously resolved in the affirmative.

The Committee proceeded to consideration of Mr. Green's motion of March 22, viz,

That the Committee recommend that the discrimination as to rank, contained in subsection 2 of section 26 of the Pension Act, be removed.

And the question having been put on the said motion, it was unanimously resolved in the affirmative.

At 12.50 o'clock p.m. the Committee adjourned until Thursday, April 29, at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 27, 1948.

The Special Committee on Veterans' Affairs met this day at 11.00 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: I want to begin by saying before I forget it that at the conclusion of this meeting I would like to have the steering committee meet here for a moment or two. Did everybody on the steering committee hear that?

Mr. BENTLEY: Let us adjourn this meeting at twenty minutes to one.

The CHAIRMAN: I hope we will be ready to. The other thing is that at the last formal meeting of the steering committee it was decided by the steering committee to recommend that we do not hear further witnesses but that we proceed to conclude the discussion on the schedules. That was agreed to. Then subsequently the steering committee agreed, and the committee confirmed, that we should postpone that recommendation until we had heard further representations from the National Council. That we have done. I am in the hands of the committee. The last recommendation from the steering committee was that we should conclude the matter. What I should like to know is are there any further representations required? I am informed by the clerk that the questions which we asked to be prepared have been answered. If there is any further discussion then we should have in now. If not, the recommendation of the steering committee was that we proceed to decide this matter. What is the will of the committee?

Mr. CROLL: I move that the question be put.

The CHAIRMAN: If there is no further discussion, gentlemen, the first business will be to take the vote. On March 16 Mr. Herridge moved that the committee recommend that the amounts set forth in schedules A and B to the Pension Act be increased by 25 per cent. On March 19 Mr. Brooks moved that all the words after the word "that" in line 1 be struck out and the following substituted therefor:

(1) This committee at the present time consider only section 13 of bill 126 and schedules A and B thereto.

(2) That this committee recommend that schedule A to bill 126 be amended to provide as follows:

(a) That the basic rate of pension be \$1,200 for the following ranks: Lieutenant (naval), Captain (military) Flight Lieutenant (air), and all ranks and ratings below;

(b) That the basic rate for additional pension for married members of the forces be \$400 per year;

(c) That additional pension for children for all ranks be first child, \$240; second child, \$192; each subsequent child, \$160.

(3). That this committee recommend that schedule B to bill 126 be amended to provide as follows:

(a) That the basic rate of pension for widow or dependent parent: Lieutenant (naval), Captain, (military), Flight Lieutenant (air), and all ranks and ratings below be \$960 per year;

(b) That additional pension for children or dependent brothers or sisters for all ranks be first child, \$240; second child, \$228; each subsequent child an additional \$160; orphan child or orphan brother or sister, \$480; second orphan child, \$384; each subsequent orphan child an additional \$320.

Gentlemen, the question is on the amendment of Mr. Brooks. Those in favour of the amendment of Mr. Brooks...

Mr. BROOKS: I wonder if I could say a few words in that connection. Having moved this amendment I should like to put a few more facts on record. I might say at the outset that I agree entirely with Major Wickens' submission the other day. There is not very much more I can add to what he has said except for the fact he did not have some of the figures before him which we have.

I think we are justified to some extent in taking 1925 as the basis and not 1920. 1925 is the year that the basic rate of pensions was set. I might say also in that connection that while 1925 is the year that we are more justified in taking than 1920 still, as Major Wickens said the other day, 1939 is, I think, really the year that should be given consideration.

Taking 1925 we find that the wage rates for unskilled factory labour, male, increased from 100 in 1925 to 197.4 in 1947. That is on page 1 of the statistical memorandum for the year 1925. Taking the second column we find the average earnings of wage and salaried workers increased from 100 to 179. In the third column we see that the cost of living increased from 100 to 125.9.

I should also like to point out to the committee that taking the year 1939 the wage for unskilled factory labour increased from 108.2 to 197.4. That is almost an increase of 90. I should also like to point out that the average earnings of wage and salaried workers increased from 102.4 to 179, and that the cost of living, comparing 1939 with 1947 and March, 1948, increased from 84.7 to 125.9. That is an increase of over 41.

Turning to the second page I should also like to point out, taking the food index in column 1, that the increase from 1925 to March of 1948 was from 100 to 146.1. I might say in that connection that food, of course, is the most important item that there is in the cost of living expense. Taking fuel and rent the increase was not so heavy. It increased about 17 points for fuel and 14 points for rent. On clothing, which to my mind is perhaps the next most important item in a family's living, the increase was from 100 to 121, and taking the 1939 figures it increased from 71 to 121, 50 points. In the same connection the food index, 1939, increased from 79.1 to 146, or 67 points.

Turning to page 4 we find, looking at column 1, that the purchasing power of the pension for a single man, which was 100 in 1925, in March, 1948, was 79.4. That is a decrease of approximately 21 points. Going on to the purchasing power of the average earnings of wage and salaried workers we find that taking 1925 with a basis of 100 that there was not a decrease but an increase to 142.2 in March of 1948. The veteran's pension had a purchasing power of 79.4 in March of 1948 and the wage and salaried workers had a purchasing power of 142.2.

Taking the purchasing power of an hour of unskilled factory labour, male, we find that there was a greater difference still, that the purchasing power in March of 1948 was 174.5. The greatest difference is shown, I think, in column 5 where we find that the percentage of purchasing power of a pension to the purchasing power of an hour of unskilled factory labour is reduced from 100 in 1925 to 50.7 in March of 1948.

I think that really tells the story more than anything else. As these figures are all available to the members I am not going to take any more time. I simply wish to point out these facts, and I wish to state definitely that I

personally consider 1939 is a better basic year than 1925 for this reason. It was pointed out the other day that the 1925 figure does not take into consideration the change in the standard of living in nearly 25 years, a quarter of a century. It was also pointed out that the young men of World War II were familiar with the standard of living in 1939. It was what they were accustomed to, and when they come back and set up living again it is the only standard which they know, and the standard which they are obliged to follow.

I think that the 33½ per cent increase in the basic pension from \$75 to \$100 is more than amply justified. In that connection I might point out again that all wages have increased. The basis of increased wages as far as labour is concerned has been the cost of living and the standard of living. There is no reason in the world why returned men in this country should not be put on some sort of comparable basis with the labouring men of the country.

A few years ago, we in the House of Commons did what we considered was a justifiable thing. We have heard of it many times. We increased our indemnity from \$4,000 to \$6,000 a year. That is not an increase of 33½ per cent; it is an increase of 50 per cent. I do not think there is a member here who will say we were not justified in making that increase. Therefore I feel we are more than justified this morning in asking for this 33½ per cent increase for the veterans in their basic pension, which I moved a short time ago.

Mr. GREEN: I should like to say a word in support of Mr. Brooks' submission. As the committee knows we are dealing entirely now with the basic pension rate. There has been no revision of that rate since 1925. The pensioners got no cost-of-living bonus whatever throughout the war. Probably they were the only class of Canadians who did not get a cost-of-living increase. The result was, of course, there were demands from all over the country, both from soldier groups such as the Legion and the National Council, which includes several of the other leading soldier organizations, and from the press from coast to coast.

Last December the government made a raise—I think the figure was from \$75 to \$85; you will correct me if I am wrong—for the totally disabled single pensioner. There was an outcry about that increase being too small. Then when the House assembled again this year it was raised so that the approximate percentage of increase is about 17 per cent.

I suggest, Mr. Chairman, that there is no need to go further back than the year 1925. There has been some attempt made here in the committee to base our figures on 1920. The fact is that although the rate was set in 1920 the increase in that rate was only by way of a cost-of-living bonus until in 1925 parliament incorporated that cost-of-living bonus in the actual pension.

The CHAIRMAN: It is fair to say, Mr. Green, that they did not raise it in 1925. They simply made it a part of the pension instead of a bonus.

Mr. GREEN: They changed it from a cost-of-living bonus.

The CHAIRMAN: A man got no more money. It is a distinction without a difference. A man got no more money.

Mr. GREEN: On that point, in the intervening five years the cost of living had fallen between 1920 and 1925. I would refer you to Mr. Tucker's remarks on page 65 of the proceedings where he said:

I think I can tell the committee what the thought was in regard to this matter at the time this amount was announced. It was last fall that the basic amount was set. There has been a raise since then, of course. At that time, as compared with the time when these pensions were finally set, which was in 1926—

I do not understand why he said 1926; I have understood it was 1925—

—the cost of living had risen about 25 per cent as compared with the time when the pensions were finally set.

Then I think evidence was given that the basic pension rate should be based on the cost of living and on wage rates and on living standards. The prime minister said words to that effect in the House on December 19th when he announced the first raise. He is quoted at page 489 of Hansard as saying:

It was recognized that account should be taken of increases in the general level of wages and salaries since the establishment of the existing rates.

I point out there he referred to the general level of wages and salaries. He did not deal actually there with the cost-of-living index. Then the minister, Brigadier Gregg, said at page 63 of the proceedings of the committee when he was questioned by Mr. Quelch as to whether cost was the only factor in deciding this increase:

That was one factor, of course, but there were other factors in relationship to the whole picture of Canada as was mentioned this morning. The living standards of others of the Canadian population were considered by the government, and one might say, as far as it was possible, all the departments within the government were consulted to see what would be equitable at this time in the light of what can be done.

The minister himself there recognized that the living standards of the Canadian people are of great importance in setting the figure. It has been admitted the basic pension is worked out on the basis of unskilled labour. I suggest that in itself is a wrong basis. It would be much more fair to base the pension on average earnings rather than only on unskilled labour. However, that was the way that the original pension was worked out, and apparently there is no intention of changing it, although I submit it should be changed to a basis of average earnings.

Colonel Brooks has dealt with the question of the cost of living. He has showed that based on the year 1925 the cost of living at the end of March of 1948 had gone up to 125·9. That was the evidence given by the dominion statistician and Mr. Rider told us at page 72 of the committee proceedings that based on the years 1935-39 the cost of living had gone up at the end of February, 1948, I think, to a figure of 150·1. Mr. Marshall was very clear in his statement that these figures did not take into account the increase in the standard of living. They have no direct connection whatever with the increased standard of living. I suggest to members of the committee it cannot be argued that there has not been a great increase in the standard of living in the intervening years between 1925 and 1948. The rise in wage rates, to which the prime minister referred, has been very much greater than the increase in the cost of living. By the way, Mr. Chairman, I would point out these statistics which were given us by Mr. Marshall, and have behind them the authority of the Dominion Bureau of Statistics, have not been printed in our proceedings. For some reason or other they are not shown in the proceedings at all, certainly in any of the proceedings that have come out yet. They were supposed to have been put in.

The CHAIRMAN: I understood they were. I will see if I can discover what has happened. The clerk tells me they are with the printer and should be in this morning. I think the committee knows we have had some little difficulty on account of the heavy committee work in keeping up with our reports, but they were passed for inclusion. I was not aware until now they had not been received. They are with the printer and should be ready today.

Mr. GREEN: It is clear they are to be published.

The CHAIRMAN: Yes, it is a matter of delay with the printer, not any omission of ours.

Mr. GREEN: The rise in wages has been very noticeable, and I think reflects great credit on the unions in Canada and also probably on management. It also shows what increase there has been in the standard of living.

The CHAIRMAN: Would you attribute that part to the good government?

Mr. GREEN: I certainly would not.

Mr. CROLL: Not unless he was in power.

Mr. GREEN: Referring to page 1 of the 1925 statistics we find that the wage rates of an unskilled factory labourer, male, which is the basis on which the pension was set originally, have gone up from 100 to 197.4 in 1947. That is almost double. Then Mr. Cram told us that the average hourly wage of an unskilled factory labourer, male, was 71.5 cents per hour. That will be found at page 185 of the committee proceedings.

The CHAIRMAN: Is that the 1946 figure or the estimate for 1947? I think it was 65 in 1946.

Mr. GREEN: That was for 1947.

The CHAIRMAN: The 1947 figure is an estimate.

Mr. GREEN: The figure for 1946 was 65 cents an hour, in October, 1946.

The CHAIRMAN: That is right.

Mr. GREEN: Mr. Cram says it has gone up 10 per cent since then which would make it 71.5 cents per hour now.

The CHAIRMAN: I do not know that it is important, but if you will excuse me you will remember you asked Mr. Cram and he said no figure was available for 1947. You pressed him to make an estimate and he said 10 per cent which would bring it to that. I imagine he is on the conservative side, but it was not given as a formal figure by the department.

Mr. GREEN: That is true, but I think I got it a second time during the proceedings.

The CHAIRMAN: The same estimate.

Mr. GREEN: I think Mr. Marshall's answer was either 71.5 or 71.6. I would point out that the Legion in submitting their request for an increase of 25 per cent said through Mr. Herwig, at page 12 of our proceedings:

Mr. Chairman, in view of the fact the pension is based upon the ability of the pensioner to perform labour in the common labour market we think the pension should bear some relation to common labour rates which would average about 55 cents an hour throughout Canada, and on an 8-hour day that would average about \$100 a month.

They were only working on a basis of 55 cents an hour whereas the actual figure is 71.5 cents an hour. Then on the 1925 base by 1947 the average earnings of wage and salaried workers, which included female workers and boys, had gone up from 100 to 162.9, and at the end of March, 1948, had gone up another 17 points to 179. The figures for actual dollars and cents were given by Mr. Cram at page 186. He said at the end of March the average weekly wage was \$39.24, and the average for wages alone as distinguished from salaries was \$37.02 per week. That will be found at page 186. That figure of \$37.02 per week works out at \$160.42 a month. Then finally there is the purchasing power of the pension which I think is very significant. It reflects the cost of living and increase in wages right through the picture. Colonel Brooks has read the figures, that the purchasing power of a pension at March 31, 1948, as compared with 1925, has gone from 100 to 79.4. As compared with the purchasing power of an hour of unskilled factory labour, male, it is only 50.7 per cent. In other words, it is about half. If you compare it with the average earnings it is only 55.8 per cent which is, again, just a little over half.

Now, I would remind the members it is all very well for us to be cavalier about this matter. We are not in a very good spot ourselves. We increased our indemnities in 1945 by \$2,000, non-taxable. We are not in a spot where we can talk tough to the pensioners of this country. Our increase was one of the first to go through and, as I said before, there have been increases right down the line in practically every field.

I suggest, Mr. Chairman, that the government's increase is pitifully small. The increase proposed at the present time by the government is pitifully small and, further, it is mean.

The CHAIRMAN: Mr. Green, I am not sensitive about your comments on the government which I happen to support but the House of Commons itself, for reasons best known to itself, has taken exception to the use of the word as being unparliamentary. I am not going to urge it, but I am just going to remind you that in the committee it is not the practice to use language forbidden in the House.

Mr. GREEN: I did not know that was ever forbidden in the House.

The CHAIRMAN: It was, this session.

Mr. GREEN: Mr. Baker tried to get me ruled out of order because I said something about the 1946 committee.

The CHAIRMAN: It is all right, I just wanted to put it on the record.

Mr. GREEN: I will withdraw the word, "mean", if you wish me to. For a number of years, conditions have kept the standard of living down. If this rate is established, it will mean that for a great many years, the standard of living of the pensioners in Canada is going to be kept down. They are the last group of Canadians who should be treated that way. If there is any group in the country which deserves fair treatment, over and above every other group, it is those men who were disabled in service, and their dependents.

I do submit to the committee it is our duty to support this amendment of Colonel Brooks asking for an increase of $33\frac{1}{3}$ per cent; that amount is none too much and I do trust that the committee will support the motion.

Mr. ROSS: Might I ask that we have a recorded vote on this?

The CHAIRMAN: I am in the hands of the committee.

Mr. CROLL: Record the vote.

The CHAIRMAN: All those in favour of Mr. Brooks' motion will please stand. The secretary will call the names and you will answer either yes or no. Do you wish to record the vote in that manner? The usual practice is to take the vote, then someone asks for a recorded vote and we have the members stand again.

Those opposed to Mr. Brooks' motion please stand.

I declare the motion lost. Is it the desire of the committee to record a vote?

An Hon. MEMBER: Sure.

The CHAIRMAN: Just answer yes or no as your names are called.

The CLERK: There are fifteen yeas and sixteen nays.

The CHAIRMAN: I declare the motion lost. The question is now on the main motion?

Mr. CROLL: May I say a word?

Mr. CRUICKSHANK: We have this amendment.

Mr. CROLL: I only wanted to say a word.

The CHAIRMAN: The mover of the motion, Mr. Herridge, rose first and he has the opportunity of speaking to his motion if he wishes.

Mr. BENTLEY: Mr. Chairman, on a question of privilege: I propose to move another amendment to Mr. Herridge's amendment. Shall I do it before he speaks or afterwards?

The CHAIRMAN: He has the floor at the moment. When he has finished, if you desire to move an amendment, the chair will entertain it. However, at the moment, Mr. Herridge has the floor.

Mr. HERRIDGE: I am not going to detain the committee more than a minute or two because I do not think there is anything to be gained in re-hashing what we have listened to during the past few weeks. The evidence is all on the record and we have had an opportunity of studying it.

I just wish to say this; I moved this motion, seconded by Mr. Cruickshank, because I believe it represents the considered opinion of the large majority of the Canadian people. It was presented to us as the view of the Canadian Legion which is a large representative body in this country. The motion I moved, seconded by Mr. Cruickshank, works out almost exactly the same as the proposal put forward by the Legion.

I am only going to refer to one table which is on page 2 of this official cost-of-living index numbers, annual averages, based on 1925. In the first column, the cost-of-living index is marked as 125.9 which means that the basis of the cost of living has risen 25.9 per cent which is slightly higher than the amount provided for by the Canadian Legion proposals and this resolution.

Now, Mr. Chairman, there are quite a number of factors which enter into the establishment of a pension rate. I support the 1925 level because, at that time, the pension was finalized and the bonus was incorporated in the Act and became law. At that time, I remember quite distinctly that all veterans' organizations—I was a member of the provincial executive of the Canadian Legion of British Columbia at the time and the veterans' organizations considered that the pensions at that time had a fair relation to the cost of living and to the circumstances which prevailed at that time.

Mr. Chairman, all of us I am sure would like to see the pensioner get as much as possible but, in considering a question such as this, in view of the expressed attitude of the large representative organizations of the veterans of this country, and the expressed attitude, I think, of the great majority of the people of this country, and also having in view our responsibility to the Canadian people as a whole, I consider that the 25 per cent increase at this time would be fair to the veterans concerned and fair to all of the people whom we are here representing. Therefore, Mr. Chairman, I do urge that this committee support this motion.

Mr. CRUICKSHANK: Mr. Chairman, I had intended to bring down the copy of the *Montreal Standard* and read it into the record. I forgot to do it. In my forty minute address, I am not going to do that; you can take it as read. I am seconding Mr. Herridge's motion. I think, originally, I suggested it. I belong to the Canadian Legion. I do not need to make a political speech to you today or at any other time.

The Legion represents most of the veterans in Canada, as Mr. Herridge has said. I am not saying anything derogatory about the other organizations. However, I still believe if we had only the Canadian Legion, the veterans would do a lot better and they would not have to have members making political speeches when anything which concerns them is brought up. I guaranteed my Legion that I would support their move for the 25 per cent increase over the board. The veterans will not necessarily be satisfied, and I should like to see them get a 100 per cent increase, but one has to be reasonable.

I said in the House and I say here again that I do not think any veteran or member of this committee is doing any service to his country when he makes a political football out of this situation.

I am asking support for this motion and I am asking that the members forget party politics or by-elections and everything else in doing so.

Mr. Ross: I just wish to say a word—

The CHAIRMAN: Mr. Bentley has the floor.

Mr. BENTLEY: Mr. Chairman, with much of the argument of the mover and seconder of the motion before us at the present time, I am in agreement. I do not like the suggestion of any politics coming into this matter. I want to point out this, so far as the Legion is concerned; it is the only veterans organization which is represented in the constituency from which I come. Nevertheless, I have had a tremendous number of resolutions from both urban and rural municipalities and other public bodies asking me to support the motion made by Mr. Brooks. Because of that, because it is our responsibility to the public to handle the taxes of the ratepayers—I presume they gave consideration to what this meant to the taxpayers—because of that, I supported Mr. Brooks' resolution.

However, I believe the Legion all across the country has given earnest consideration to this, and there is a good deal to be said for what Mr. Herridge and Mr. Cruickshank have said. I believe that the statistical information, with which we have been supplied in great volume, points out a number of things to which we can give consideration. I will not recapitulate it; that has been done very well during the question period and by the previous speakers.

Again, I wish to point this out; that I concur with the speaker, Mr. Wickens, that statistics, while a good guide, should not be taken as positive proof. That is a point which should be given consideration in an examination of the evidence. Those of us who are familiar with the veterans' problems; who live amongst them; who see how they live, cannot be too much impressed by statistics dealing, to a large extent, with averages. As I say, statistics are a good guide but, at the same time, they do not always depict conditions clearly.

Because of all that we believed that the higher rate was necessary. However, that has been refused by the committee. Therefore, I wish to move an amendment to the motion now before us and, in doing that, it is going to be for the 25 per cent plus a cost-of-living bonus on the basis of the cost of living being, as the Bureau of Statistics says at the present time, 150.8. We are basing our figures on this; you give the veteran \$100 who is totally disabled; that is a flat increase of 25 per cent plus a cost-of-living bonus. Instead of basing it on the 150 index figure, we start at 143, so as to add a dollar for each rise of 1 point in the cost-of-living index, which would make it \$100 a month.

Now, I shall read the resolution, Mr. Chairman. Possibly you wish to have a copy before you.

The CHAIRMAN: Yes, I do.

Mr. BENTLEY: It is moved by myself, seconded by Mr. Wright:

1. That schedule "A" to Bill No. 126 be amended by striking out the figures in all the classes for the ranks "Lieutenant (Naval), Captain (Military), Flight Lieutenant (Air) and all ranks and ratings below" and substituting therefor the following figures in the respective classes:

Class 1.....	\$1.125.00	Class 11.....	\$ 562.50
Class 2.....	1.068.75	Class 12.....	506.25
Class 3.....	1.012.50	Class 13.....	450.00
Class 4.....	956.25	Class 14.....	393.75
Class 5.....	900.00	Class 15.....	337.50
Class 6.....	843.75	Class 16.....	281.25
Class 7.....	787.50	Class 17.....	225.00
Class 8.....	731.25	Class 18.....	168.75
Class 9.....	675.00	Class 19.....	112.50
Class 10.....	618.75	Class 20.....	56.25

2. That the said bill be further amended by inserting in the said bill a further section, numbered 4A to read as follows:

4A. Section 11 of the said Act be amended by adding the following provisions to subsection (a) of the said section 11:

Provided however

- I. If at any time during the currency of such pension the cost-of-living index, as established by the Dominion Bureau of Statistics under the provisions of the Statistics Act being Chapter 190 Revised Statutes of Canada 1927 and Amendments thereto, rises above 143 points, the pensions awarded under the said schedule "A" to Lieutenant (Naval), Captain (Military), Flight Lieutenant (Air) and all ranks and ratings below shall be increased by a cost-of-living bonus equal to \$1.00 per month for every point of the cost-of-living index number over and above the basic index number of 143 and so long as such basic index number remains above 143.
- II. If in accordance with the next foregoing provision the pension plus cost-of-living bonus awarded to the ranks of Lieutenant (Naval), Captain (Military), Flight Lieutenant (Air) and all ranks and ratings below, equals any of the pensions awarded to the 4 groups of higher ranks set forth in said schedule "A", then the pensions of such higher ranks shall be increased by a cost-of-living bonus equal to \$1.00 per month for every point of the cost-of-living index number over and above the cost-of-living index number existing at the time when the pension and cost-of-living bonus of the lower ranks equals the pension of any of the higher ranks, and so long as such index number remains above the point at which the cost-of-living bonus for the higher ranks becomes payable in accordance with the provisions hereof.

And,

proportionate increases for veteran pensioners' dependents and for dependent heirs of deceased veterans.

Now, Mr. Chairman, we believe that is a fair way of setting out the pensions. Speaking for myself and several of my colleagues, we cannot view with anything but disfavour the recommendations or rather the amount which the government is prepared to grant. We feel, as Mr. Green feels, that the amount is pitifully small. There have been vast changes in the way of life in this country since the close of World War I and up until 1939. Undoubtedly, if we have faith in our country, which I have, we believe we are going continually forward, possibly with recessions, and we will improve that standard of living. At all times, the veterans are sharing that standard of living.

I do want to point out one or two things, Mr. Chairman, but I do not want to belabour the point, concerning the increase we voted to ourselves. It was necessary. Frankly, it would have been very difficult for many of us to continue as members had it not been for that increase, but it was considerably more than 33½ per cent. I think it was about 50 per cent plus whatever the additional income tax on the \$2,000 would have been. We increased the judges' salaries by 33½ per cent. I am not complaining about that. We felt it was necessary, yet the judges had infinitely more on which to live on their old salary basis. We were very generous last session to those of our citizens who became engaged in our foreign service and embassies, in the matter of age limits, salaries and retiring pensions. We were very generous.

I wish to point this out in connection with the last mentioned group of people. If the people of all the world, not only Canada—we cannot take all the blame or all the credit—if all the employees and officers of the foreign embassies and diplomatic services had been performing their duties as well

as we could have wished, with hindsight being our guide, it might never have been necessary to have veterans of World War II. Now, the same thing applies today. Having been generous with these officials of the Foreign Affairs Department, we could hope that the results of their work will prevent us ever being engaged in a third world war.

If some people think this is too heavy a load for the taxpayers of this country, then I can only say to those taxpayers, it pays to keep your country safe. Having engaged in a conflict, having set up an expense account of this kind to take care of the veterans since we did fall into these difficulties and we may fall into them again in which case we will, as Canadians, have to undertake our duties to the world; in that event, we are going to ask people to leave what might be growing careers in civilian life to undertake these hazards again and come back to be repaid on the basis of unskilled labour. I believe we are not being over-generous. In this amendment, we are simply asking for the very least we should offer to the veterans of this country. Therefore, I move that amendment, seconded by Mr. Wright.

The CHAIRMAN: Gentlemen, upon there being a vote on the main motion, Mr. Bentley, seconded by Mr. Wright, has moved an amendment which he has just read to you. Am I to understand—I did not follow the mechanics of it—that your recommendation is a flat 25 per cent increase in the schedule plus a cost-of-living bonus to bring them up to a level related to the cost-of-living index?

Mr. BENTLEY: That is right.

Mr. ROSS: I just want to say a word or two about this Canadian Legion presentation. It has been some time since that representation was made to this committee. I think most of us realize the cost of living has increased considerably since the Legion made its presentation to this committee. For instance, a great issue has arisen in this House of Commons over the findings of the Board of Transport Commissioners in favour of a 21 per cent increase in the freight rates. Actually, this has greatly increased the cost of living in a great many parts of Canada.

I know personally of young settlers under the V.L.A. who set up a poultry farm. Now, the freight rates from the place at which they are operating to the larger centre in which they market their eggs, for instance, has not been increased 21 per cent, but it has been increased 114 per cent. On a fifteen dozen crate of eggs the freight rate has increased from 35 cents to 75 cents. There is one concrete item which I give to you.

At this time, I do not want to waste the time of the committee by doing more than citing that as an example of what has happened since the Legion made its presentation to the committee. I could give you many other examples showing that the actual cost of living has been increased by virtue of legislation passed by this very government within the last few weeks. Surely, we have to consider these matters. I agree with all Mr. Brooks, Mr. Green and Mr. Bentley have said. I believe this is a rather pitiful increase. At the time the Legion presented its brief, I was one of those who took a stand endorsing it. So much has transpired since then, that I wish to say a few words about that. Municipal corporations across Canada have passed resolutions asking that this 33½ per cent increase be granted; that is asking that the \$75 per month be increased to \$100. I have had considerable municipal experience myself.

The CHAIRMAN: Mr. ROSS, I do not want to interrupt proceedings, but we have disposed of that recommendation.

Mr. ROSS: I am not arguing about the matter we disposed of. I am simply talking of the cost of living. I know that the point that the government is concerned with the matter of taxation. The point I am making is that your municipal governments are taxing bodies themselves. With my experience

municipally and federally I still maintain that the type of government closest to the desires of the people and their problems is your municipal corporation. There is no argument about that. They are close to the people. They know their problems. Most of those who sit on these municipal councils are pretty hard-headed people, and when they pass resolutions and send them to the senior government asking for an increase of at least that much there is some real reason behind such a resolution. I think that should be heeded. That is the point I want to make there.

Mind you, this is quite an amendment which has been moved by Mr. Bentley. I should like to give considerable study to it, but if I follow him properly I think I would have to support that amendment based on these increases that are clearly taking place. The cost-of-living index has risen. That is shown by legislation in this House of Commons since Easter, since the amendments were placed on the record. It is an increasing cost of living to every veteran and his dependents as well as to other people in this country. It is pretty hard to keep track of the increases that are taking place. Certainly we cannot be too niggardly about the matter at this time. As I say, after giving closer study to the amendment I think I will have to support it because we have got to do more for these people. We cannot just pass a blanket motion and say that takes care of you when all these costs are increasing, the cost of clothing, food, shelter, fuel and everything else. That is transpiring every week, and probably every day, and much of it is recognized by legislation introduced in the House of Commons. We cannot get away without acknowledging that fact.

Mr. WRIGHT: In seconding the motion I want to point out what the motion does. I think probably a long motion like that is rather difficult to understand while it is being read. What the amendment does is to grant a flat increase of 25 per cent, as indicated by the Legion brief and as requested by them. On top of that it provides for a \$1 raise per month in pension for each raise in the cost of living over 143. In other words, at the present time with the cost-of-living index at 150.8 it would provide a pension of \$100 a month. When that cost-of-living index reaches 151 it would then mean an additional dollar on each monthly pension, and a proportionate increase for all grades of pension, with this provision, that in the higher pension rates where an officer receives a higher pension than the basic rate, that any time the cost of living rises to a point where his pension is not equal to the pension which would be paid to a lieutenant or those of that grade, that he would participate in the increase.

As briefly as I can put it that is what our amendment is designed to do. I am not going to quote a lot of figures with respect to what has taken place about the cost of living, what has taken place with regard to wages, and all those things. I want to put in simpler language what we are trying to do. We have increased tremendously Canada's production during the past 25 years. We have increased our ability to produce goods and services for our people in Canada, better homes, better standards of living, better food, better amusements, all of those things which go to make better living. We have increased our capacity in Canada to produce those things for ourselves.

What are we doing with regard to our veterans? If we refuse to increase their purchasing power in proportion to our increase in production in this country we are saying to these people, "You cannot have this production which we have today in Canada. You just cannot have as good a home even as an unskilled worker can. You have got to go into the slums of our cities and look for a home to live". That is what you are doing. You are not only saying that to them. You are saying that their children when they go to school will have to wear canvas shoes or rubber shoes while your children and my children will wear leather shoes because on the present pension they cannot buy them. You are saying that their children must quit school when they have completed grade 7 or 8. They cannot go on to high school. They have not got the purchasing

power. They have not got the ability to send them. Now, gentlemen, just consider those things when you are voting on this amendment.

Mr. QUELCH: I should like to say that I believe the principle embodied in this amendment is a sound one. Everybody appreciates the need for increasing the basic pension, but then the question comes up as to whether or not you should increase it to a level that will take care of the present situation, or whether you should increase it to a figure to take care of the long term situation. If you take that stand then I think it is sound to say the pension should be increased to a certain level, and then above that figure in order to take care of the situation you should have a cost-of-living bonus.

I should like to say one word regarding the merit of the relative amendments. A lot has been said about the recommendations of the Legion and the recommendations of the National Council of Veteran Associations. I think we must admit that the recommendation for a 33 $\frac{1}{3}$ per cent increase did have the support of the people across the country and also had the support of the Legion. It is not fair to say the Legion was opposed to it because when that question was put to General Price in this committee he made that point very clear. Let me quote the reply of General Price. He said:

I should like to answer the padre's challenge and tell him that our presentation and proposals are just an absolute minimum and not the ideal; and we shall be more than delighted if he is successful in getting his \$100 a month.

So the 33 $\frac{1}{3}$ per cent did receive the full support of the president of the Legion. Their recommendation represented the very minimum that should be done.

There is just one other point I should like to make. When the question of taking the vote on this amendment was first brought up it will be recalled many in the committee felt before taking that vote we should have a thorough investigation into the whole question. As a result of that we have had before us a number of witnesses. When the first witnesses were brought before us it was stated by several members that those witnesses had fully substantiated the demand that the rate be increased beyond 16 per cent. Then a number of members of the committee asked the government to bring witnesses before the committee who would substantiate or justify the government increase of 16 per cent. Additional witnesses were brought, and I think every member will agree that the evidence of the witnesses who were brought substantiated even more the need for a higher increase than 16 per cent.

Colonel Brooks has placed the figures on the record again. Anybody reading those figures must agree that a 16 per cent increase would not begin to cover the situation as recorded by those figures. Therefore, Mr. Chairman, we will be only too glad to support the amendment moved by Mr. Bentley.

Mr. BENIDICKSON: We have had introduced before us a very complicated amendment. I do not know whether we will vote on it today without further scrutiny. May I ask the proposer of the amendment whether or not I have an understanding of what is involved in it. I take it that he has set the basic figure at 143 which is lower than the present level, and the result would be that if the amendment carried we would be approving of a minimum pension rate which would be approximately the same as that proposed by Colonel Brooks. Is that correct?

Mr. BENTLEY: Yes.

Mr. BENIDICKSON: And that the present amendment would be one that would involve greater expense than the amendment that has just been defeated if the cost of living rose, and it would involve less expense if the cost of living receded from its present position. Then there is another point that I think requires some clarification.

Mr. CROLL: I think you are wrong about the receding.

Mr. BENTLEY: That is correct.

Mr. BENIDICKSON: It would involve at the present moment an approximate pension of \$100 a month for 100 per cent disability, which is the equivalent of approximately a $33\frac{1}{3}$ per cent increase over the present rates. That is based on 150 approximately. If we had a recession from our present cost of living I say it would then prove to be less expensive to the treasury but if our cost of living increases the treasury would be called upon to pay even more than under the amendment proposed by Colonel Brooks.

There is another point that I think would require some clarification. Is it proposed that the cost of living changes would be operative monthly?

Mr. BENTLEY: No. In discussing that with some of my colleagues and others it was proposed that the administration would likely make it three months, or if necessary, six months, but it could be retroactive if it turned out at the end of six months that it was required.

Mr. BENIDICKSON: That is also a very important question. I do not know whether we are bound by a monthly increase under the terms of the complicated amendment as it has been read, but as you know when a cost-of-living bonus was paid to government employees during the war they required a rise of certain stated amount before they actually changed the amount of the cheques. I think it required a 10 per cent increase before there was an alteration. As I understand the amendment I think it would demand a constant changing on a monthly basis up and down. If there was a rise of 1 point in the cost of living it would involve a change for the following month of \$1 in the amount of the monthly cheque in the case of the 100 per cent disability pensioner. I think that is a very objectionable feature because I think administratively it would be impossible to handle.

Mr. WRIGHT: As we interpret our amendment it would mean that if the cost of living was 150.1 that would not make any change, but when it came to 151 then it would. It would be for each rise of a point, not a fraction of a point, so that it would be operative on approximately the same basis as the cost-of-living index was during the time when they awarded a cost-of-living bonus.

The CHAIRMAN: The administrative result of that, as I understand it, would be that a 10 per cent pensioner would get a 10 cent bonus, and that correspondingly it would then be granted for each point.

Mr. WRIGHT: Proportionately.

The CHAIRMAN: At this point I do not want to interrupt the proceedings to discuss the administrative possibilities of it but, of course, it would be absolutely necessary to establish basic periods which were practicable within the powers of administration. We have factual information of the length of time it takes to get cheques that have been troubling some of us for a considerable time, and which are still in abeyance pending the conclusion of the hearings on this bill. If you multiply that by every change of one point it seems to me that administratively a 10 per cent pensioner might be quite a while before he got his dime. Did you wish to say something?

Mr. McKAY: A very few words. I have never discussed this matter in the committee, but I did on the floor of the House some time earlier in the session speak on behalf of a 25 per cent increase in pensions. I like to be consistent. That is the reason why I want to say a few words now. I argued then that I thought a 25 per cent increase was on a very sound basis. I argued on the basis of the cost of living, and I also added a rider to my speech to the effect that I felt that a cost of living supplement would be a desirable thing. I still think I was on a pretty sound basis although since that time we have listened to the representatives of the Legion and the National Council

of Veteran Associations, and we have also examined reams of statistics. I think possibly I, for one, may have overlooked at least in some part the increased standard of living which has occurred since 1925. I am certain I overlooked the matter of unskilled labour wages which have definitely increased most substantially since 1925. To quite a substantial extent that would influence my attitude now.

Outside of that fact I want to make myself very plain on this matter, that after I had seen boys come in here in wheel chairs, and other chaps who had one or two legs off, and some of them sightless, I was influenced to take the stand—and I am confident many others in the committee are taking the same stand—that we cannot do too much for them. And while we may have a safe argument that a twenty-five per cent increase—that is a safe argument—to present our case on a behalf of a twenty-five per cent increase. I still feel we have got to consider other things. So that is why I voted, this morning, in favour of thirty-three and a third per cent increase; and, as a matter of fact, had it been a fifty per cent increase, I would have voted for that too.

Mr. Woods: Or one hundred per cent?

Mr. McKAY: Yes; and I would have felt quite justified in doing so.

We have this morning another amendment which has been brought forward by Mr. Bentley, which, in my opinion, is quite sound. The basic pension is to be increased twenty-five per cent. I argued that one in the House not anticipating that this amendment would be brought in; and I also suggested that the cost of living supplement be added to that basic pension with adjustments to be made every six months.

I think that unless we do something of that kind, we are going to face an argument every year with regard to pensions. That, in my opinion, would probably solve the situation for all time to come, although it does not take into consideration—I regret this to a certain extent—it does not take into consideration the increased standard of living; and it certainly does not take into consideration the rate for unskilled labour. But I would think it is better than a straight twenty-five per cent increase; and it would, at the present time, amount almost to an increase of thirty-three and a third per cent.

Someone mentioned the question this morning: whether the taxpayer feels disposed to pay increased taxes which will be entailed by a substantial increase of this kind. I for one feel this way: that so far as the taxpayer is concerned, that he has to come to the conclusion sooner or later that the wages of sin are death and the wages of war, at least in part, ought to be increased pensions for the disabled men who fought the war. And if the taxpayer still has money in his pocket, he should feel mighty thankful that he has it, because it is the lads who came back with broken backs and with arms and legs missing who made it possible for him to have that money to pay the taxes. So it is because of that I feel we should not be too concerned about the attitude towards this two, three, four, five or six millions of dollars on the taxpayers' bill. Therefore I am going to support this amendment; and if it fails, then I shall support the next one. I want to get an increase in pension for these lads and I feel that sixteen and two-thirds per cent is inadequate.

Mr. BELZILE: The matter of the amendment by Mr. Bentley gives effect to an introduction of a new principle in the matter of pension. It is tying up the rates of pensions to the cost of living index and it is a new standard. There are a lot of people who are on pension today such as railway employees, superannuated civil servants, post office employees and so on. If you set a standard and tie it up with the cost of living index, you will be fixing a new principle in the establishment of pensions.

Mr. LENNARD: There is nothing new about this. It is not a new principle. It was employed for five years.

Mr. BELZILE: I know it was employed in 1925 with respect to pensions. But I think we should take notice of the tying of it up with this new standard. Because, no doubt, every superannuated employee—apart entirely from government employees—would admittedly go before his employer and say, I have been receiving a pension of \$75 a month. That was the rate when the pension was set; but the cost of living index was at one hundred, or something so I am now entitled to have the difference between \$100 and \$150. My pension, if it was worth formerly \$50, should now be increased to \$75. Or if it was formerly worth \$100, it should now be increased to \$150. I think we ought to exercise caution in setting up different standards.

Mr. PEARKES: I only want to take up a moment of time to say that while I would have preferred to have seen a definite floor set as an increase to the basic pension which would in my opinion be adequate to meet the needs of the day. Failing that I can heartily endorse the proposal made by Mr. Bentley, that there should be a cost of living bonus given to the increased basic pension up to twenty-five per cent. I do not think it is really introducing a new principle. There have been cost of living bonuses given to all sorts of employees during this war; and there have been cost of living bonuses given, I believe, to pensioners some ten or fifteen years ago.

And while it may not be easy to administer, surely, with the experience we have had, any administrative difficulties can be ironed out and we can find some way in which a fair cost of living bonus can be periodically set, to counter-balance increasing cost of living.

Mr. HERRIDGE: Mr. Chairman, I find that my heart and my head are in conflict this morning. I am very sympathetic in spirit to the amendment which was moved by Mr. Bentley and seconded by Mr. Wright and I am sure that everyone in this committee is.

I have not read the resolution, but I think I have got it correctly from the discussion which has taken place this morning. In my opinion, Mr. Chairman, it is introducing an entirely new principle into the payment of pensions; a principle with which I am not in agreement, and for this reason.

If you accept the principle of a cost of living bonus on the basis as outlined in the resolution, then, if the cost of living drops, you have to accept a decline in the pension paid. Now, looking back to the period of the depression, the records we have before us will indicate that the purchasing power of the pension was for some years much higher than it was in 1925. That was a very fortunate situation for large numbers of pensioners who, owing to the depression were not able to obtain employment. Therefore it is because of that, Mr. Chairman, that I think the question of a cost of living bonus is not a sound principle upon which to base a pension. So I shall have to vote against my heart and use my head, shall I say, and oppose this amendment.

Secondly, I think while the mover made out an excellent case, nevertheless the administrative difficulties would be immense. I have no personal knowledge of the mechanics of issuing pension cheques, but I would imagine that if every pension had to be checked periodically every three or four months and the pension to be raised or lowered on that basis, it would mean an immense additional expenditure required and a largely augmented staff. Personally, I would prefer to see the pension raised by legislation or by statute. This committee, I presume, could so propose and recommend and then, if the situation changed, the pension could be dealt with again by the House of Commons. Therefore, on this ground, I think, although I am sympathetic to the spirit of the amendment, nevertheless I feel obliged to vote against it.

Mr. FULTON: Might I deal with two of the points which have been raised in connection with Mr. Bentley's amendment.

While Mr. Herridge has said that his head and his heart are in conflict, I hope he will allow his head to exercise his prerogative again and perhaps,

if he follows the argument which will be made he may find his head to be in sympathy with his heart and support the amendment.

As to the question of introducing a new principle into pension legislation, I think Mr. Lennard mentioned that it is not, strictly speaking, a new principle because it was in effect from approximately, 1919 to 1925; and at that time the cost of living bonus was incorporated into the pension.

Secondly, Mr. Herridge objected that if this were done now, it would result in an increase in the pension to the level of approximately thirty-three and one-third per cent.

The CHAIRMAN: Permit me to interrupt you, Mr. Fulton. You will realize that in mentioning the bonus which existed from the latter part of 1919 to 1925, it would be a fluctuating bonus and if it had been it would have disappeared.

Mr. FULTON: No; it is not a new principle. The principle of the cost of living has been contemplated before in our pensions administration.

Mr. Herridge's other point, that it might result in a drop in the pension should be disposed of, in his own mind, when he realizes that the amendment is there so worded that the pension level can never drop below the level which Mr. Herridge himself contemplates in his own amendment. Namely, it can never drop more than twenty-five per cent below the present level. It can go higher, but it cannot go lower than that. So, if he can still find it acceptable, I suggest that this should help him to find it acceptable, this new amendment which permits of an increase over the level, but does not permit any decrease below that level which they themselves have suggested.

Might I make this other point: I think the point raised by Mr. Belzile was quite substantial had it been based on a proper comparative basis, but I do not think it was because he was speaking of a comparison between veterans' pensions and civil pension schemes; and I suggest, while the comparison is alarming on that basis, really the comparison should not be made because civil pension schemes are based on contributions, upon money contributions made by the employee during his lifetime, while veterans' pensions are based on an entirely different idea. The contribution there is not measured in terms of money; it is measured in terms of loss of life, the loss of limb, or of some physical detriment. In short, I had hoped that this committee could find both its head and its heart in favour of the amendment.

Mr. BENEDICKSON: What was the practice during the period 1919-1925 with respect to the cost of living bonus? Did they have any rapidly changing rates?

The CHAIRMAN: I interjected a moment ago that practically the bonus which was given in the period of 1919-1925 was a bonus which did not fluctuate. In point of fact, if it had fluctuated, it would have disappeared in 1925; but instead of disappearing, it was made part of the legislation itself. Now we have before us an amendment to the motion.

Mr. BENTLEY: May I speak again on the motion?

The CHAIRMAN: I am in the hands of the committee.

Mr. CRICKSHANK: Would it not be possible to have the motion and the amendment over again because I do not understand them intelligently enough to vote on them one way or the other.

Mr. GREEN: Question.

The CHAIRMAN: Are you ready for the question, gentlemen.

Mr. BENTLEY: Mr. Fulton dealt separately with Mr. Herridge's argument so I won't repeat it. But I would say that while it may look as though it would be a big job for the administration now, nevertheless government agencies have learned a tremendous lot since 1925. It is true that the principle of fluctuation is new; otherwise the bonus is not a new principle; and with the improved

methods of establishing a cost-of-living index by government, departmentally, it should not add greatly to the work or administration.

Those of us who moved and seconded this motion would not for a minute wish to include in the legislation any specific time at which it must be paid. Because, if the administration found that it should wait a year, let us say, we would not complain very much.

I would point this out. We suggested in our clause 1 that the basic pension be \$1,125, approximately 25 per cent. That is not the actual figure, but a worked-out figure, a round figure, and it comes pretty close; that would be basic and you cannot go below that. That disposes of Mr. Herridge's argument that in the case of a severe depression you would have a far greater buying power under this amendment, in so far as fluctuations are concerned, in the cost of living, until such time as the economic conditions of the country are stabilized to some extent. There will always be some fluctuation, but we do not think that the pensioner should fail to benefit when the fluctuations go upwards, increasing the cost of living; and we do hope that the members of the committee will find it both in their heads and in their hearts to support it.

The CHAIRMAN: Before putting the question, I would just like to say that this must be the first time I find myself in this position and not making a speech. The procedure before the committee, of course, is to vote on the amendment, no matter how much anyone might desire to vote on the motion. I am in the hands of the rules and we must put the amendment before we can vote on the motion.

Will those who are in favour of the amendment by Mr. Bentley please rise?

Will those who are opposed to the amendment of Mr. Bentley please rise?

Mr. CRUICKSHANK: I am not voting because I do not understand it.

The CHAIRMAN: I declare the motion lost.

Mr. BENTLEY: May we have it recorded?

(The committee took a recorded vote.)

The CHAIRMAN: I declare the motion lost.

Mr. CROLL: Speaking to the motion which is now before the committee, it occurs to me now that we have dealt with the motion for the 33 per cent and the motion for 25 per cent plus the cost of increased bonus; but I think the basis Mr. Herridge put it on, and Mr. Cruickshank, was a recommendation made by the Canadian Legion; that the Canadian Legion, representing the vast number of ex-service men across this country, was in a position to present to this committee their requests in the most favourable light. Now, it makes a difference, I think, between the attainable and the desirable. I do not think there is any difference of opinion in this committee as to what is desirable, provided that we can attain it.

Mr. GREEN: Why that qualification?

Mr. CROLL: I make that qualification for this particular reason: that I think it is possible for us to attain the 25 per cent for the Legion; and if it is possible to attain it, I think we ought to endorse it, and we are much better off endorsing something which we can attain rather than something which we cannot attain.

Mr. LENNARD: Who cannot attain?

Mr. BROOKS: There is no evidence to show we cannot attain it.

Mr. CROLL: Well, we have had a statement from the minister saying what was, at one time, the view of the government.

Mr. BROOKS: They will have to change their opinion.

Mr. CROLL: They may change their view on it. Would you not like to see it? So would I.

Mr. ROSS: Do you think that the cost of living has risen since the Legion's official representation to this committee?

Mr. CROLL: The cost of living at the present time is fluctuating. I am not impressed with the figures as to the increase in the freight rates. I do not think they have affected, to any great extent, the cost of living in this country.

Mr. Ross: They do in seven provinces.

Mr. CROLL: That has been drilled into me for the last three weeks; but it has not made any impression.

The CHAIRMAN: We have had a very orderly discussion so far and I have been impressed with the courtesy of the committee; let us not wreck it.

Mr. CROLL: So, getting back again to what I said, the difference between what we think we can attain and what we actually want; there is a great gap between that difference. I think if this committee endorsed, wholeheartedly, the recommendation made by the Canadian Legion—and I intend to vote for it—I think there are good prospects of attaining that; and I think that the soldiers across this country would be more than amply satisfied for the time being.

Mr. WRIGHT: Can Mr. Croll give us some figures to prove his point, that an increase of 25 to 33½ per cent is untenable in view of our national income?

Mr. CROLL: I am no more impressed by the figures than are a great number of men in this committee here. The Legion made a study of it and made a recommendation here. Their recommendation and submission are as rational to me as are all the figures which have been presented here which more than impressed the members of the committee; and I think that the present is as good a place to start as any.

Mr. WRIGHT: It may not be politically attainable.

Mr. CROLL: My friend is talking about "politically attainable". I have mentioned to one member of the committee that I thought we had a fairly good, decent working committee, in fact, one of the best of the lot; and now, with these elections that we are into, they are fighting them in the Veterans Affairs Committee. I think that is a very undesirable thing; and that goes for the by-elections, too.

Mr. BROOKS: I was the one who recommended the 33 per cent and I am not interested in any by-election.

The CHAIRMAN: The vote is on the motion of Mr. Herridge, seconded by Mr. Cruickshank. Will those in favour of the motion please rise?

Mr. CRUICKSHANK: Let us have it recorded.

The CHAIRMAN: I think it is hardly necessary for me to do anything other than to say to you, Mr. Cruickshank, that it is a unanimous vote.

Mr. LENNARD: That is unanimous.

The CHAIRMAN: All those contrary minded, if any?
Carried.

That brings us now to the point where we were some weeks ago, that is, a consideration—

Mr. Ross: This vote was not unanimous.

The CHAIRMAN: I am sorry.

Mr. Ross: A member abstained from voting.

The CHAIRMAN: That is common practice both in the House and in the committee. The point is now that we have the recommendation of the steering committee before us that when we had concluded discussion on this motion we should proceed, first, to hear further recommendations from the Legion and the National Council; and, to meet their convenience, we delayed the vote two days and heard from both those bodies.

The information I have from the secretary is that no other organization wishes to appear before us on this legislation. Secondly, we shall begin, at our

regular meeting on Thursday morning, detailed consideration of the pension legislation. That was the recommendation. Now, I should like, before we adjourn, to see the steering committee for a moment or two.

Mr. GREEN: Before you adjourn—

The CHAIRMAN: Mr. Green has called to my attention that there was one other point, namely, a motion of Mr. Green's, before the committee, and the committee agreed that it should be deferred until this was over. So I am in error, Mr. Green. The motion before the committee was that the discussion as to rank contained in section 2, subsection 26, of the Pensions Act be removed. Do I understand that you desire to press that motion now, Mr. Green.

Mr. GREEN: I proposed—it could be disposed of today. I think it was seconded by Mr. Croll. It was in line with the recommendation made by vote of Canadian Legion, the National Council, and I suggest that if all reference to rank be taken out of the section, the result will be that it will then be in the discretion of the Commission to deal with each individual case; and I think that would leave the position such that justice can be done to all the veterans.

Mr. LENNARD: Question!

Mr. CROLL: In support of that I think Mr. Green has a point there. One thing we have always tried to avoid is any sort of distinction between men who suffer any similar or like injury. Just a word would correct it and put them on the same basis, so I would ask the committee to support it.

Mr. LENNARD: Question!

The CHAIRMAN: Is there anyone else desires to speak? It has seemed unfortunate—I have been good today and I want to say a word—to me that since the principle of discrimination as of rank was admitted anyway that the discrimination should begin with those who were the least fortunate of all veterans, the helpless themselves. I am not going to get an opportunity to vote, but I desire to go on record as an individual member of the committee, and not as chairman, as to my sympathy for it. Those in favour of the motion of Mr. Green signify in the usual way. Contrary, if any? I declare the motion carried.

The meeting adjourned at 12.50 p.m. to resume on Thursday, April 29, 1948.

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Canada, Veterans Affairs, Special
Committee on, 1947/48
(SESSION 1947-1948
HOUSE OF COMMONS
SPECIAL COMMITTEE

ON
VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 12

THURSDAY, APRIL 29, 1948

WITNESSES:

- Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman,
Canadian Pension Commission;
- Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pensions
Advocate, Department of Veterans Affairs;
- Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY



ORDER OF REFERENCE

WEDNESDAY, 28th April, 1948.

Ordered,—That the name of Mr. Tremblay be substituted for that of Mr. Hallé on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MINUTES OF PROCEEDINGS

THURSDAY, April 29, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Belzile, Bentley, Blair, Blanchette, Brooks, Cruickshank, Dion, Emmerson, Fulton, Gauthier (*Portneuf*), Gregg, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Lennard, McKay, Marshall, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Tremblay, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pensions Advocate, Department of Veterans Affairs; Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.

The Chairman presented the following report of the Steering Committee:
Your Steering Committee met on Tuesday, April 27 and recommends:

That the Committee proceed to consider Bill 126, an Act to amend the Pension Act, clause by clause; but that the Bill be not reported to the House until a decision has been reached respecting any other matters before the Committee relating to disability pensions.

The report of the Steering Committee was concurred in.

The Committee proceeded to consideration of Bill 126, an Act to amend the Pension Act.

Mr. Melville was recalled and questioned.

Clauses 1 and 2 were adopted.

Mr. Herwig was recalled and questioned.

Mr. Topp was called and questioned.

Clauses 3, 4, 5, 6 and 7 were adopted.

At 1.00 p.m. o'clock the Committee adjourned until Friday, April 30, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

APRIL 29, 1948.

The Special Committee on Veterans' Affairs met this day at 11.00 o'clock. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: At the close of the last meeting we had a meeting of the steering committee. That was on Tuesday, April 27. The steering committee recommends that the main committee proceed to consider Bill 126, an Act to amend the Pension Act, clause by clause, but that the bill be not reported to the House until a decision has been reached respecting any other matters before the committee relating to disability pensions.

That simply means that there are questions affecting possible changes in the Pension Act which will arise out of discussions, notice of which has already been given in the main committee. The steering committee felt if we pass the bill which is before us in its present form, and it goes back to the House for consideration, back to where amendments can be made as a result of resolutions from this committee, that we would probably be shutting the door to further amendments which might arise out of subsequent recommendations. For that reason it is not proposed to make any further recommendations with respect to pension matters until we report on the matter of pensions in total. I think that is a fair explanation of what was intended. That is so, Mr. Brooks?

Mr. BROOKS: You do not mean to report the bill to the House without the resolutions, but for the committee to consider it here.

The CHAIRMAN: To consider it now, but not report it until we report it with all our resolutions concerning pensions. Our next report on pensions will be the works.

Mr. BROOKS: It will include the resolutions as well as the bill?

The CHAIRMAN: Whatever resolutions we may pass dealing with the bill.

Mr. BROOKS: That is right.

The CHAIRMAN: Under those circumstances we will proceed with the consideration of the bill itself. I presume everybody has a copy unless they lost it like I did. I think perhaps we might adopt the practice that is general in this committee of going through the bill, clause by clause, and if we come to one on which there appears to be a likelihood of an extended discussion we may let it stand, clean up those we can and then go back over it. That sometimes saves time.

1. Paragraph (b) of subsection one of section two of the *Pension Act*, chapter one hundred and fifty-seven of the Revised Statutes of Canada, 1927, is repealed and the following substituted therefor:

(b) "applicant" means any person who has made an application for a pension, or any person on whose behalf an application for a pension has been made, or any member of the forces in whom a disability is shown to exist at the time of his retirement or discharge or at the time he ceased to be on active service during World War II, or at the time of the completion of treatment or training by the Department of Veterans Affairs;

Mr. BENTLEY: Would this be the proper section to deal with the matter of declaring Great Britain a theatre of war during World War I?

The CHAIRMAN: No, I think not, Mr. Bentley.

Mr. BLAIR: This is to clarify it for the permanent force.

Mr. BENTLEY: I do not see how we can deal with that any other place under the bill.

Mr. PEARKES: Under definitions.

Mr. WHITE: Would that not be under the War Veterans Allowance Act?

The CHAIRMAN: Pardon?

Mr. WHITE: Would not that amendment come under the War Veterans Allowance Act?

The CHAIRMAN: Oh, yes. Is that what you had in mind, declaring Great Britain a theatre of war in World War I? That has no relationship to pension. That has to do with the War Veterans Allowance Act. I am sorry I misunderstood your question.

J. L. Melville, Chairman, Canadian Pension Commission, recalled.

By Mr. Pearkes:

Q. There is only one question I want to ask regarding this section, and it will not open a debate. It has to do with the actual date on which the permanent force was taken off being on active service with relation to the date which is given here as the cut-off date. I do not think it can make any difference in the application of the section but I just want to get the assurance that the permanent force personnel are protected, because I believe there is that difference in the date. I am quite certain there is no intention there should be any discrimination.—A. I am very pleased to reply to that. The reason for this slight amendment is from the experience after World War I. We had a number of members of the permanent force who served in World War I, and whose service was continuous thereafter. They had never been retired or discharged from service. As they had not been so discharged or retired we could not award pension. As a sort of technicality they were discharged one day and retaken on strength the following day. We wished to avoid that situation now. General Pearkes brings up the question as to whether they will be affected in any way. I can assure him they will not. A great many members of the active force today served in World War II. Their service has been continuous. Many of them elected to serve in the interim force, and that service terminated on the 30th of September, 1947. There was another date which came into the question. The 30th of September, 1946, I think I am correct in saying, was the cut-off date for benefits under the War Service Grants Act. The whole purpose of this change is to make full provision for the members of the active forces who have continued their service.

Q. That is not quite my point. I think there is still a third difference, when the army ceased to be on active service. I cannot tell you offhand what that date is.—A. General Pearkes, the situation actually is that many have not been retired or discharged, and there are actually many different dates. I have examined the files.

Q. But there is one definite date on which the permanent force ceased to be on active service. They were here in Canada, but they were on active service in Canada, and that is a different date to the one given here. The words "ceased to be on active service" are used in the first paragraph. I do not think it makes any difference, but I want the assurance that it will not make any difference, because there is a difference between the 1946 date, the 1947 date, and the date upon which they ceased to be on active service.

The CHAIRMAN: That date is December 31, 1946, is it not?

Mr. PEARKES: No.

The CHAIRMAN: What date is it?

Mr. PEARKES: I have forgotten what the date was.

The WITNESS: It will make no difference if there is an entry in orders covering the member of the forces concerned.

The CHAIRMAN: Is there any further discussion on clause 1?

Carried.

Then we come to clause 2.

2. Paragraph (q) of subsection two of the said Act, as enacted by section four of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:

(q) "World War II" means the war waged by His Majesty and His Majesty's Allies against Germany and Germany's Allies; and the period denoted by the term "World War II" is the period between the first day of September, one thousand nine hundred and thirty-nine, and the first day of April, one thousand nine hundred and forty-seven, both dates inclusive;

Is there any discussion on that section?

Mr. BROOKS: Would it not be a good idea to have Brigadier Melville explain these as we proceed? There may be something we missed.

The CHAIRMAN: We will be very happy to do that.

The WITNESS: V-E day was the 8th of May, 1945, and V-J day the 15th of August, 1945. The commission was faced with the situation of members of the forces who had served in World War II who were discharged from that service and who re-enlisted for service in the active force. Service in the active force, or as we used to call it, permanent force service, is on a different basis in so far as entitlement is concerned. The purpose of this is that on and after the 1st day of April, 1947, for a member of the active force to be eligible for a pension for injury or disease resulting in a disability or death such must arise out of or be directly connected with his service. In other words, the insurance principle does not apply to members of the active force on and after the 1st day of April, 1947.

The CHAIRMAN: Is there any further discussion on that?

Carried.

3. Subsection seven of section three of the said Act, as enacted by section six of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:

(7) The Chairman shall be paid a salary of eight thousand dollars per annum, the Deputy Chairman shall be paid a salary of eight thousand dollars per annum, and each of the other Commissioners, including *ad hoc* Commissioners, shall be paid a salary at the rate of eight thousand dollars per annum: such salaries shall be paid monthly out of any unappropriated moneys forming part of the Consolidated Revenue Fund of Canada.

Mr. ROSS: I want some information on this. First I should like to know how many commissioners there are, when the last increases were granted, how much they were, and what salaries the commissioners are receiving as at this time. Following that I have another question.

The WITNESS: There are fifteen commissioners at this time. Eleven of those are for term appointments, three, four, five, six or seven years. Seven years is the longest term appointment. There are four *ad hoc* commissioners. Their appointment is for one year and may be renewed from time to time as the necessity arises. Your second question is with regard to salaries?

By Mr. Ross:

Q. When the last increase took place and how much it was at that time.—A. The last increase for the salaries of the commissioners was as a result of the amendment to the Pension Act of 1946. The salary of the chairman was raised from \$7,000 to \$9,000. The salary of the deputy chairman was raised from \$6,000 to \$7,500, and the salary of each commissioner from \$6,000 to \$7,000. Does that answer the question?

By Mr. Brooks:

Q. What were the original salaries?

By Mr. Cruickshank:

Q. May I ask a supplementary question? How many commissioners are there now?—A. Fifteen.

Q. I am not asking this in a critical way at all. My only purpose is to get information. Is it your opinion there are sufficient commissioners? My information is there is too much delay across Canada in hearing cases. Are there sufficient commissioners? I am not worrying about the \$6,000 or \$7,000 at the present time. In your opinion, are there sufficient commissioners?—A. My answer to that is a very definite affirmative one, yes. I know of no delays. The appeal boards of the commission are practically up to date. Definite evidence in that regard can be obtained from the chief pension advocate, but we have hearings listed right up till the end of June. Colonel Brooks asked a question as to what the salaries were before the Act was amended in 1946.

By Mr. Brooks:

Q. When the commission was first set up what were the original salaries?—A. The salary of the chairman was \$7,000 and \$6,000 for each member.

By Mr. Cruickshank:

Q. I should like to follow that up. I cannot agree with Mr. Melville with all respect. There are no generals, colonels, brigadiers or admirals in this committee as far as I am concerned. We are all plain soldiers now. I disagree with him when he says that there are no delays. My information from my own branch of the Canadian Legion, and the provincial branch of the Canadian Legion in British Columbia, is that there are delays. As a matter of fact, I know from personal experience there are delays. It may be that the commission has been delayed too much here answering foolish questions about charts. I do not know, but in my opinion there are delays. I do not think there are sufficient commissioners.

The CHAIRMAN: Mr. Cruickshank, we have all had the experience of lengthy delays in individual cases. Sometimes those delays arise as a result of the extreme desire of the pension advocates in different areas, or by reason of what the Legion is doing, to go back and to make sure that they have every last possible scrap of evidence.

MR. CRUICKSHANK: That is what they are there for.

The CHAIRMAN: That is being done. We have with us this morning the secretary of the Legion. We will not get anywhere if members of the committee say that they are having a good many complaints that there are delays and the chairman says that there is no noticeable delay. I wonder if the committee would like to ask the secretary of the Legion about that.

MR. CRUICKSHANK: I would take exception to your remark that we will get nowhere. What are we here for?

The CHAIRMAN: Mr. Cruickshank, will you please let me finish. I said that we will get nowhere debating it. We have a witness in the room. I should like to call on him and ask him the question as to what the general experience

of the Legion is. Mr. Herwig, can you say to what extent you are having complaints about the slowness of appeals, or otherwise?

Mr. HERWIG: Mr. Chairman, we certainly get complaints, but I think perhaps it is right to say that in pension matters there are so many pension cases, and of such a variety, that they cannot all be done in the same length of time. It is not like putting them through a mill. Each case has to be dealt with on its merits, and so on. If you are speaking of appeals only, then I think we would say that depends entirely upon how long it takes to build up the case to present it.

The CHAIRMAN: It is the individual case.

Mr. HERWIG: Yes. So that on the whole I would say there is not any large number of complaints. They do come from individuals who have to wait for a long time for a decision.

The CHAIRMAN: Has there been any general request from the Legion for further appointments of *ad hoc* commissioners as a possible method of speeding it up, or are the complaints, as you say, individual?

Mr. HERWIG: Not lately, no, sir.

The CHAIRMAN: Thank you.

The WITNESS: Might I add one word to try to help Mr. Cruickshank. An appeal board of the commission returned from British Columbia on Saturday. That appeal board sat in Vancouver, in Victoria, back to Vancouver, and then in Kamloops. It heard some cases there and heard two cases at Tranquille sanatorium. That appeal board dealt with and heard every case that was listed and ready for hearing in B.C. An appeal board of the commission left one week ago for the midwest. They are sitting in Edmonton, Calgary, Regina, Saskatoon, Winnipeg, Fort William. They have on their agenda every case in the midwest which has been listed by the chief pensions advocate as ready for hearing. Since the hearings were arranged certainly some more cases have been added, but actually they are very few in number indeed. With regard to Ontario, Quebec and the east, hearings have been arranged which will take care of all claims which are listed as ready, and they will be disposed of. The hearings are all planned now. They will be disposed of by the end of June.

Mr. CRUICKSHANK: I want to make it clear I am in no way criticizing the present commissioners. I have every confidence in them, but I still think there are not sufficient commissioners. We are handing money around here in large amounts, but when it comes to raising the pensioner it is a case of 10 or 20 cents a month. We have plenty of money. I cannot agree with the chairman of the commission. I want to repeat that I am in no way criticizing the board. I think they are doing excellent work. I do not agree with Mr. Herwig. I do not think he is up to date in the province of British Columbia. I definitely state that appeal cases, in my opinion, are unnecessarily delayed in being heard, not only at the present time, but over the past years. I think it is the duty of this committee to see that we have sufficient commissioners to handle these cases without having unnecessary delays of two, three or six months. When a man needs a pension and his family needs it there is no reason for that. He is entitled to that appeal board. If he is not we should rectify the Act. There should be no delays of from two to six months. I am sorry the dominion command are not up to date in so far as British Columbia is concerned. I still insist there are not enough commissioners. There should be at least six more appointed.

Mr. Ross: I want to make it quite clear I am not objecting to the salaries paid to the commissioners at all, but I also think there should be a sufficient number of commissioners to take care of all these cases without undue delay. The point I was getting at was that with the increase that was granted in 1946 and that now provided for in this bill you are granting the commissioners an

increase of $33\frac{1}{3}$ per cent. Their salary was \$6,000 prior to 1946. They had \$1,000 increase then and another \$1,000 now, which makes a flat increase across the board for the commissioners of $33\frac{1}{3}$ per cent. Therefore we are not very consistent in all this legislation we have been dealing with and are dealing with at this time.

By Mr. McKay:

Q. May I ask Brigadier Melville a question with regard to the *ad hoc* commissioners. What is the advantage of appointing *ad hoc* commissioners rather than permanent commissioners? Is it simply a matter of saving money because they are not fully employed for the complete time involved? I should like to ask a further question pertaining to that. What has been the average payment to these *ad hoc* commissioners in the past year? I should like to see whether there is any advantage in keeping them on a temporary basis.—A. With regard to the *ad hoc* the intent of the Act was to allow flexibility, and it is a most desirable situation that such should exist. If the work of the commission decreases then the services may terminate of an *ad hoc* commissioner who is only appointed for one year. I can give you the exact dates of appointment of the *ad hocs* if that will help you. Do you want that?

Q. No, I am not concerned so much with that. Is there a limitation on the number of *ad hoc* commissioners?—A. Yes.

Q. There are eleven permanent commissioners and four *ad hoc* commissioners; is that correct?—A. The statute provides that the number of commissioners shall be not less than eight and not more than twelve, in addition to which five *ad hoc* commissioners may be appointed, not exceeding five.

Q. At the moment there are eleven permanent commissioners?—A. At the moment there are eleven commissioners and four *ad hocs*. That includes the chairman.

Mr. WRIGHT: I think we all realize that it is impossible for the commission to deal with each individual case that arises as it arises in different areas in Canada, but how many cases have got to accumulate in an area before the commission will send a board out to deal with them? Suppose in an area there is only one case arises. It may be a very considerable time before there are enough other cases to justify a board sitting in that area. Just how is that arranged? I think perhaps there has been some difficulty in that matter with regard to getting cases dealt with where there were not enough cases to justify sending a board out to sit.

Mr. BLAIR: I want to know that, too. Will you come back to British Columbia?

The WITNESS: An appeal board of the commission deals with five or six cases a day. That is the regular agenda that is prepared for them. An appeal board would not likely be sent out to the west if there were only a few cases listed as ready. We endeavour to have enough say in Vancouver for a minimum of one week's session in Vancouver. They go to Victoria and hold a session there of two or three days. On their return they may hold a session in Cranbrook of one day, in Kamloops of one day, in Calgary of two or three or four days, depending on the number of cases, but we do endeavour to keep the cases all up to date and so arranged that there are no arrears. There used to be quite a delay. I do not know of any great delays now whatsoever.

By Mr. Wright:

Q. What is the longest delay now that is likely to occur in a case?—A. An appeal board of the commission has now returned from Vancouver as at practically the end of April. The next one to go out to British Columbia would be about September.

By Mr. Pearkes:

Q. December?—A. September.

Mr. WRIGHT: That would be around five or six months delay.

Mr. HERRIDGE: I was going to ask a similar question to the one asked by Mr. Wright. I noticed an appeal board was held in Vancouver, Victoria and Kamloops. I was going to ask what arrangement is made for holding them at other points. I noticed in his answer Brigadier Melville said that possibly there would be a hearing in Cranbrook. I may say before I go on that all government departments seem to avoid the southern portions of British Columbia. They seem to like the main line, Fraser Valley and places like that, but I would suggest that a central point for the interior covering all points between Penticton and the Alberta boundary would be Nelson. That would be the point at which there would be less inconvenience for the largest number of men.

The WITNESS: The point you raise is a very good one. The commission is a great believer in showing the flag. We think it is a very, very good thing indeed that an appeal board of the commission should sit in various localities when there are enough cases to be heard in that locality to warrant a sitting. We arrange our sittings in that manner and select one point and then bring them in the odd case from the other points. We have arranged these hearings in that manner throughout the dominion.

By Mr. Pearkes:

Q. The question I was going to ask has been partly answered in that we are told that the next board will be in Vancouver in September. That is the question I was going to ask, but I also wanted to ask a question regarding the northern part of the province from Prince George to Prince Rupert. How do veterans who wish to appeal from that northern area get a chance to appeal? Do they have to come right down to Kamloops? Do they have to come down to Vancouver from the north?—A. We have had hearings in Prince George. We have had hearings in Prince Albert, and where there are—

Q. Prince Rupert?—A. Prince Rupert; if there were enough cases listed as ready for hearing in Prince Rupert to warrant sending the board there a board most decidedly would be sent. If there are only one or two cases, then, instead of sending the three members of the commission who constitute the appeal board and the court reporter who accompanies them, the cases are brought into the nearest centre at which the hearings are to be held.

By Mr. Blair:

Q. I should like to ask a question regarding the ad hoc commissioners. How do you get the type of men you want to sign up for one year?—A. *Ad hoc* appointments are made by the government. If the commission feels—

Mr. Ross: I wonder if you would mind repeating Mr. Blair's question. We were not able to hear it.

By Mr. Blair:

Q. I should like to ask a question regarding the *ad hoc* commissioners. How do you get the type of men you want to sign up for one year?—A. *Ad hoc* appointments are made by the government when the commission feels the necessity of the situation demands additional help. Representations are made for an *ad hoc* commissioner for a period not exceeding one year. We have had cases in the province of Quebec, on account of the bilingual situation, where an *ad hoc* appointment has been made for one session. We were fortunate in that regard, to have someone appointed who had very wide experience with the Pension Act. He had been a former advocate and is a practising solicitor there.

By Mr. Wright:

Q. How long have the present *ad hoc* commissioners been appointed? I imagine some of them have been there for several years?

The CHAIRMAN: Gentlemen, you will have to speak a little louder. The reporter is up at this end of the room and there is quite an echo.

The WITNESS: There are four *ad hoc* commissioners. Dr. R. J. Gordon, D.P.H., F.A.C.P., was appointed first of all on the 1st of September, 1944, for one year. The appointment was renewed on the 1st of September, 1945 and again on the 1st of September 1946, and 1947. His present appointment expires on the 31st day of August, 1948.

Commander N. L. Pickersgill, V.D., was appointed on the 1st of February, 1945. His appointment was renewed in 1946 and 1947. His present appointment was renewed on the 1st of February, 1948 for a period of six months, when it will be subject to re-consideration by the commission.

The third member is Wing-Commander J. M. Forman, D.F.C., who was first appointed on the 1st of February, 1945. His appointment has been renewed and the last time such renewal was made was on the 1st of February, 1948.

The fourth and last *ad hoc* commissioner is Dr. C. M. Keillor, former chief medical adviser to the commission who was first appointed on the 12th of December, 1945. His appointment was renewed on the 12th of December, 1947, for one year.

By Mr. White:

Q. With regard to the permanent members of the commission, can you give us their civilian occupations before appointment and whether or not they had military service?—A. I had prepared a return for an order of the House, Mr. White, in answer to a similar question. May I say, first of all, that every commissioner has had battle service in a theatre of war.

Q. How many were below the rank of officer, do you know?—A. How many?

Q. Yes.—A. We start with the chairman, and he originally served in the ranks.

Commissioner Conn was appointed as a lieutenant and was awarded the military cross; Commissioner Reilly, K.C., was appointed as a lieutenant; Commissioner Langelier, M.C., was appointed as a lieutenant; Commissioner Harry Bray was a private; Dr. F. F. Chute served in the ranks and was later commissioned in the Canadian Army Medical Corps; Commissioner J. K. Matheson, M.C., was appointed a commissioner with the rank, I think, of lieutenant; Dr. H. M. Barnes, served in the ranks. He returned to Canada, graduated in medicine and was appointed to the Canadian Army Medical Corps and finished up his service in a theatre of war, I believe. Commissioner H. A. Bridges, B.C.L., served in the ranks and was later commissioned; Dr. R. E. Wodehouse, O.B.E., was a commissioned officer from his original appointment; Commissioner G. E. Leprohon, served as an officer in both wars. Of the commissioners, the chairman, Commissioner Leprohon, Commissioner Pickersgill, Commissioner Keillor had service in both wars and Commissioner Forman had service, and very gallant service, in World War II.

Q. Could the chairman of the Pension Commission outline briefly the administrative procedure which follows when an application is made for pension?—A. I would be very glad indeed, to do that. The original administrative procedure, that is the administrative procedure on discharge from the forces was this: Following upon discharge a copy of the discharge medical board form M.F.B. 227 was forwarded to the commission. A file was created. If the commission, on examination of the discharge medical board considered that disability existed at the time of discharge, then that case was dealt with.

It was referred to the medical advisers, prepared and submitted to the commissioners for a decision. There are a number of these which came into the district offices, proceedings of medical board on discharge. They were

reviewed by the pensions medical examiner, and an examination was carried out. He forwarded his reports into the head office where, again, they were reviewed by the medical adviser before submission to the commissioners.

The procedure in the commission every morning is this: That all the commissioners who are in Ottawa take a number of files. They review the opinions which are on those files, opinions expressed by the medical advisers. They review the documentary record which is contained in the file. They then dictate a decision as to whether or not, in their opinion, there is injury or disease resulting in a disability. As a rule, that duty takes up the entire morning.

In addition, in the morning, they are dealing with claims coming in regarding additional pension for dependents; that is, wives, children, parents and so on. They are also reviewing assessments where recommendations have come from the pension medical examiner in the district. These are reviewed by the medical adviser in Ottawa and are referred to the commissioners for decision.

As I say, that takes up the morning for all the commissioners who are in Ottawa. Every afternoon, without exception, there is a meeting of all the commissioners who are in Ottawa. They deal with borderline cases, contentious cases, and there are a great many. They also deal with many of the problems which arise every day. Once a month, or as nearly as possible, a general meeting of the commission is held in Ottawa at which all commissioners are present and general questions of policy are dealt with.

Q. Just one further question; you mentioned that each morning a commissioner took a number of files. Do I understand one commissioner makes that decision?—A. I am very glad you asked that question. I have not given you complete information. One commissioner does review and dictate a decision; that decision which he has dictated comes back into the board room. Now, it is very necessary, in order that our work may be properly carried out, that we divide Canada into five zones. Thus, when a case comes to an appeal, that appeal cannot be heard by a commissioner if he has previously rendered a decision on that case.

So, when that decision has been dictated by the commissioner it comes back into the board room. These files, containing these dictated decisions, are in zones A, B, C, D, E. There are only certain commissioners who can, then, review and sign those decisions. The file is taken by one of those commissioners. He again reviews the record and the history and the opinions which have been expressed. If he concurs, he signs that decision. He returns the file to that zone. The file is given to another commissioner, who follows that same procedure. Therefore, each case is dealt with by a minimum of three commissioners.

If there is dissent, not necessarily dissent, but perhaps a desire for further information with regard to a decision, the file is put into a question box and it is brought up in the afternoon session during the general discussion period which I have mentioned. All the commissioners in Ottawa are present and that case is then dealt with.

By the Chairman:

Q. That would be what you meant when you spoke of borderline cases coming up in the afternoon session?—A. Yes.

By Mr. Pearkes:

Q. Following that, and reverting somewhat to the question by Mr. Cruickshank regarding the possibility of delays, I wonder whether delay is not primarily in the districts, where the veteran who wishes to appeal his case has to have it prepared by a veteran advocate. Now, are there sufficient veterans' advocates in the various centres to prepare the appeal case? Are these advocates employed solely on veterans' affairs, or are some of them

carrying on their own legal practice as well, possibly leaving the veteran to wait until the advocate has the opportunity to prepare his case?

The CHAIRMAN: Did you hear that question, Brigadier Topp?

Mr. TOPP: I can answer that, Mr. Chairman. There are only a limited number of part-time advocates, to answer the last part of General Pearkes' question. These part-time advocates are in the smaller districts. I know of no delay in those districts due to the cause mentioned.

Mr. PEARKES: Would Victoria be considered as one of those smaller districts?

Mr. TOPP: It is, sir, in point of the number of appeals, yes.

Mr. PEARKES: There is a part-time man in Victoria?

Mr. TOPP: Yes, there has been a part-time man there for the past eighteen years or more and that has been satisfactory.

The CHAIRMAN: Is there a full-time man as well?

Mr. TOPP: There is not a full-time advocate, but there is a staff in the district office on a full-time basis.

Mr. PEARKES: May I pursue this question a little further? Victoria Station not only deals with the city of Victoria but the whole of the southern part of Vancouver Island. There is only a part-time advocate there who is, perhaps, a busy lawyer and can only give a limited amount of time to these veterans' cases.

I am inclined to agree with Mr. Cruickshank, in part, because I have had brought to my attention in the past, cases in which veterans have been anxious to launch an appeal. It seems to them a very long time before their appeal case is heard. I am not placing any blame on the commissioners, but I believe that there is some justification for the suggestion there are undue delays in some of the areas. When you come to consider the city of Victoria and the surrounding country, which is a densely settled part of Vancouver Island, as being a small area in which there is only a part-time advocate, I think there is some grounds for complaint.

The WITNESS: I should like to say this, gentlemen: everyone is anxious that claims should be speedily dealt with, but there is a very important factor and it is this; the decision of the appeal board is final. It is the responsibility of the veterans bureau, which responsibility is carried out in a very thorough manner, and it is the responsibility of the veterans' organizations because they are also mentioned in the Act, or a man may select his own advocate, to prepare the claim for appeal. The case does not go to appeal until all the evidence which happens to be available has been obtained and is ready for submission in support of that claim.

Some men are impatient, but it is amazing the length to which the advocates go in an endeavour to secure information, probably from associates during service; in getting medical certificates and in getting other evidence from associates in employment and so on. Until the case is ready, there is naturally a definite hesitancy on the part of the bureau. When they certify it as being complete, it must be complete. The submissions are sent forward in that manner.

By Mr. Pearkes:

Q. Following this question a little bit further, I know that the various branches of the Legion in Victoria have been advocating for a number of years that the southern part of Vancouver Island should be a separate region, I think you call it, separated from the city of Vancouver where the main files are.

Now, it seems to me we have had evidence just now to justify that claim because, if there were a regional office in Victoria, then I presume there would be a full-time veterans' advocate in that regional office. However, because it is a sub-district, or whatever you call it, there is only a part-time man at that

point. I do suggest that the number of veterans who are now living on Vancouver Island justifies something better than merely having a part-time man to look after these applications.

Mr. CRUICKSHANK: I should like to say one word in that connection. May I say that I, personally, have always had excellent success in my dealings with the pensions board in speeding up any case. However, according to the witness' own statement, Vancouver would have to have 36 cases for appeal and Victoria 18; that would be 54 cases, under the present set-up before the appeal board would go there. Having been there on the 1st of April, the board won't be there again until September, which would be a minimum of five months for the 54 cases to be considered.

I am inclined to agree with the member from Nanaimo, although, with the climate you have in Victoria, we are inclined to assume there are no serious cases over there.

Mr. PEARKES: None which result from that.

Mr. CRUICKSHANK: I think it is an unfair delay. I believe it is the fault of the administration—I am not speaking of the chairman. The minister is not here today. There are a lot missing, I guess because there is no vote to be taken today. I was dumbfounded to hear there is no full-time advocate in Victoria, which takes in Port Alberni which now has a population of 12,500 in one town. Victoria serves a densely populated section which had the heaviest enlistment of almost any district in Canada. I am surprised to know there is no full-time advocate there. It is certainly surprising when there must be some young liberal lawyer looking for such a job.

Mr. QUELCH: Are there any limitations to the number of appeals which may be made, providing new evidence can be submitted with each appeal and, providing of course, the evidence is considered of sufficient weight?

The CHAIRMAN: Before you answer that, I should like to get on the record that I am rather jealous of the reputation of this committee. There are twenty-seven members of the committee present out of thirty-five. The minister was present, but had to leave to go to a cabinet meeting. If this committee wants its recommendations considered by the cabinet, someone must go there and present them. I do not want it to go on the record that, because we are not engaged on something politically contentious today, there is a poor attendance. There is a better than average attendance in this committee. All during the life of this parliament, this committee has had the best record for attendance of any committee in the House of Commons.

Mr. BROOKS: Your statement containing the words, "politically contentious" is not a very good one either, to go on the record.

The CHAIRMAN: If there is anything unfortunate in that term, it is due to the fact there was that implication and I was trying to refute it.

So far as I am concerned, you can strike it out of the record. I took objection to that suggestion on behalf of the committee; I did not like it.

The WITNESS: Mr. Quelch's point is interesting because as a result of an amendment to the Act in 1946, which gave effect to an Order in Council, the procedure which applies to claims arising out of World War II is most excellent. This is the opinion of everyone; veterans' organizations and the veterans themselves. Might I explain it?

The commission renders what is known as an initial decision; that is the first decision. Now, if the claim is not granted that man may renew his application at any time before the commission. He may have a first renewal. He may come back with more evidence and he may have a second renewal; he may have a second and third. We have had fourth and fifth renewals. All the time, he is trying to establish his claim, probably with difficulty on the part of the

commission or probably with difficulty on the part of the applicant, before he goes to appeal. When he goes to appeal, the Pension Act says the decision of the appeal board of the commission is final. The only exception is contained in section 57 (4) of the Pension Act and the exception there is,

An application based upon any error in such decision or in any decision of the court—

The reference there is to the former pension appeal court.

—by reason of evidence not having been presented or otherwise, may be entertained by the commission with the leave of an appeal board of the commission—

When such an application is received from the veterans' bureau or a veterans' organization on behalf of someone for whom the commission has rendered an appeal board decision, the chairman of the commission is quite prepared to name an appeal board of the commission to consider that application for leave to re-open. If it is decided there was an error or some evidence had been missed, in accordance with the provisions of section 57 (4) of the Act, leave to re-open is granted and the entire claim is re-opened. It goes back to the stage of an initial decision of the commission, based on that new evidence which has been brought forward, when the application for leave to re-open was granted.

By Mr. Quelch:

Q. Take a case, where, through an error, an appeal has been allowed and then, perhaps, the decision reversed. In that case, would the pension increase be made retroactive to the full eighteen months?—A. That again is covered by a statutory provision. It is contained in section 27 of the Pension Act. Under this section, a pension award can be made, for twelve months. Under subsection (2) of the same section, the commission may grant an additional six months in case of hardship.

Q. After a pensioner receives notice that the decision is final, is he informed that a further appeal can be made if it can be shown, at a later date, certain evidence has been left out?—A. The notification contains that provision of the Pensions' Act.

By Mr. Brooks:

Q. Because you may get the impression all the cases are from British Columbia which, I do not think is the case, I am going to ask the commission if they have certain fixed times to visit the various sections of the country? I took it from what was said that, in April, the commission visited British Columbia and would go back again in September, which is about four months away. Does the commission visit sections of the country periodically every four or five months or does the commission wait until there are a certain number of cases in each locality and then have the board make a visit at that time? I should also like to ask whether the commission hears any other cases than appeal cases when it visits the different sections, or whether there are only appeal cases heard?—A. There are no fixed dates on which the commission plans hearings in any part of Canada, with certain limitations. We endeavour, in the summer-time, because the season is so very short, to have one trip down through the Gaspé at a time which is convenient, not to the commission but convenient to the applicants because of their occupations.

In Ontario, we have hearings in Toronto every few weeks. The whole system is based on the number of applications which are listed as ready.

In Montreal, there will be a hearing of the appeal board of the commission every month. In western Ontario, probably a hearing once a month, touching most of the main cities there: London, Windsor, Stratford and Hamilton.

Q. How about the maritimes?—A. There is a two weeks' session listed now for Saint John.

Q. How long since the commission was at Saint John before?—A. I think about six weeks, perhaps two months. I will confirm that date.

Q. That would not indicate any very great delay, so far as that is concerned?—A. No, there are no very great delays. I give you that positive assurance. The other question you asked was whether these commissioners were limited, at that time, to dealing with appeals. The three members constituting the appeal board of the commission deal with appeals against decisions of the commission. At the same time, they deal with other claims which may arise. One may deal with assessments. There is a provision in the Act, in section 7, whereby a pensioner may complain with regard to assessment or some other matter, and the Act provides authority for the chairman to name commissioners who will hear that complaint. As a rule, my policy has been to name the members, one or all of the members of the appeal board, to hear that complaint, perhaps on assessment.

There may be a case, such as there was recently in Vancouver, where a pension paid to a widow was suspended on account of her mode of living. She was advised her pension was suspended but that she had the right to a personal appearance before the commission. She was very ably represented by a well known barrister, shall I say, and her pension has been reinstated.

Mr. BROOKS: I heard of that case.

The CHAIRMAN: That is what you read, is it?

The WITNESS: We have a few of these unfortunate cases but I assure you they are dealt with in a very confidential and I would say most kindly manner, indeed.

Mr. BENTLEY: Deal with the prairies, too, while you are on that question.

The CHAIRMAN: Pardon?

Mr. BENTLEY: Before I get up and ask the other question I should like to deal with the number of demands for sittings in the prairie provinces, too, as you have dealt with the last question.

The WITNESS: I think within the last 12-month period, taking into consideration the board which is there now, they have had three sessions.

The CHAIRMAN: Roughly every four months.

By Mr. Bentley:

Q. There is another matter. I wish to ask three questions one at a time, and I hope you will let me complete them. I may not have to ask them all. The first one is how many of the permanent and *ad hoc* commissioners are doctors of medicine?—A. Are doctors of medicine?

Q. Yes. We do not need the names.—A. Three commissioners are graduates in medicine and two *ad hoc* commissioners are graduates in medicine, so there are five commissioners.

Q. Then the next question is what other professional and other qualifications are represented in those who are not doctors of medicine?—A. A very necessary requisite is law because we are called upon to administer an Act. Law and medicine are two very important factors, and as a layman I consider there is something else required in addition to law and medicine in the administration of the Act. For that reason I take it that others have other requisite qualifications. Three commissioners are lawyers.

The CHAIRMAN: The other qualification is supposed to be common sense.

The WITNESS: The others have various qualifications. I am an engineer. Some have other professions. Accountancy was one. They vary. I can give you the exact details.

By Mr. McKay:

Q. May I ask this question pertaining to the same subject? Of those five doctors who are members of the board how many of them are specialists and how many are general practitioners? Can you say whether or not they are all general practitioners?—A. The answer would be all general practitioners. Commissioner Gordon has certain added qualifications as a cardiologist. I would say that probably the general practitioner is the desirable one.

Q. As a matter of fact, that is what I would suggest—A. That is definitely most desirable because the commission can direct an application through the department to get specialists' opinions, and we do get the very best.

By Mr. Blair:

Q. There are some questions I should like to ask Brigadier Melville. They may not all lie within his knowledge. Is the onus always on the soldier to make application for a pension?—A. Shall I deal with this?

The CHAIRMAN: Yes.

The WITNESS: After World War I and in the post-discharge years there were many complaints. The commission after the beginning of World War II, and with a full realization of that, arranged that they would get the proceedings of every medical board on discharge and review that board, and they have done that. It may be—and this is probably what Dr. Blair has reference to—that a man may consider he has a disability. The commission may have reviewed the proceedings of the medical board on discharge and considered that no disability existed at that time. That does not deter the man in any way from making application for a pension.

By Mr. Blair:

Q. Does he have to make that application?—A. Oh, yes.

Q. He has to make it?—A. Yes, let us know that he has a claim.

Q. I will refer to a case. I had some correspondence with you about it, and you were going to look into it. This man had a spinal fracture in Italy, and he was pensioned by the pension commission at 15 per cent for osteoarthritis. Since that he has had the spine operated on, and apparently, from the man's story, the result is not good yet. He is receiving nothing more than 15 per cent. He has arthritis elsewhere in his body. He had a very severe gastric ulcer last year and had a rather bad time with severe hemorrhages. It is on his papers. He states that he suffered from a gastric ulcer in Italy. He had the kidney removed, and he suffered from that in Italy, but it was removed here in Ottawa. That is months ago that all that happened, and the man is still carrying on with his 15 per cent. He came to me last Saturday asking for advice as to what he was going to do. He still wondered why he was not getting more than 15 per cent. He is going around at the present time with his back in a brace. He claims the result is not good. At the same time he is trying to recover from a gastric ulcer with hemorrhages. That was on his history sheet. He has had the kidney removed over which there was some discussion and some argument, but the thing persisted. It is on his history sheet from England, and he is not receiving anything. He did not seem to know whether he should be receiving anything more. He was looking to the Pension Commission as a sort of father who should be taking care of him. When that man had his kidney removed in Ottawa was there not a check-up of that condition by the man who removed the kidney? Was there not a check-up following his operation on his spine to remove that condition which was already pensionable, whether the results are good or bad. He is at a standstill, still receiving 15 per cent pension and walking around totally disabled due to these conditions.—A. Your questions are very fair. The commission is not infallible. You were kind enough to write to me about the case, and the circumstances are as you have stated. The nephrectomy was a

post-discharge one. The procedure should have been this—and there is no doubt about it—that immediately following his discharge from the treatment branch of the department, the proceedings of that discharge board, all the specialists' reports and opinions, should have gone before the pension medical examiner. They should have been reviewed by him, and if on examination he considered there was an increase in his pensionable disability he should have sent in an assessment form showing his recommendation in that regard. I replied to your letter and said I was having immediate inquiries made, and they certainly warrant it from my examination of the head office file.

Q. I wondered why that man's case was not brought up.

The CHAIRMAN: Somebody slipped.

Mr. BLAIR: Why there was not a connection between the treatment branch and the pension commission. The pension commission is not to blame, but at some place the information was not forwarded. Here you have a man whose spine was operated on, and he is still in a brace. He was already pensioned for his spine. Then he was operated on, and he is still going around in a brace. In addition to that he had his kidney removed, and there was nothing further done about that. It did not come before the pension commission.

The CHAIRMAN: It is another example of human fallibility. There is nothing the matter but somewhere the administration slipped.

Mr. BLAIR: It happened twice.

The WITNESS: It does not look good, but in every office there is a doctor whose job it is to review these boards. Every day in the Toronto office it takes one doctor full time to review the hospital discharges and to see whether pension action is indicated or not. If we have missed then I can only regret it, and I certainly will see that immediate action is taken to make amends.

By Mr. Cruickshank:

Q. May I ask a question? I do not expect an answer today. Rightly or wrongly, 10,000 veterans in my riding think they are discriminated against. I should like to know how many times appeal board hearings have been held in Vancouver during the past twelve months, and the same question for Montreal and Toronto. I do not expect an answer today.—A. Thank you. I will tell you what I will do. I will prepare a statement, to be incorporated in the proceedings of the committee, for the year 1947 showing all sessions, and the number of cases dealt with, and not only that, we will tell you the number of applications received, the number of applications granted, the number refused, the number that have been withdrawn.

By Mr. Brooks:

Q. That is across Canada?—A. Across Canada.

Mr. ISNOR: I was interested in the case that Dr. Blair placed before us. I was wondering what action, if any, is taken in regard to the medical officer who did not take the necessary action to report that particular case. If that happens and it is checked what action is taken with regard to the medical officer?

The CHAIRMAN: Do you mean disciplinary action?

Mr. ISNOR: Yes.

The WITNESS: An immediate inquiry went forward. Until I receive the facts I cannot answer the question, but if disciplinary action is necessary then I give my assurance it will be taken against whoever is concerned, because we do not want a repetition of cases like that, not by any means.

Mr. CRUICKSHANK: I should like to make one correction. I said my riding. It should be the Fraser Valley area. That also includes Mr. Reid's riding.

Mr. WHITE: You were speaking about pension advocates a few moments ago. Would the chairman of the commission tell us how many full-time pension advocates there are and what they receive?

The CHAIRMAN: If you will raise your voice, Brigadier Topp is the proper person to answer that.

Mr. WHITE: How many full-time pension advocates are there? What do they receive? How many part-time pension advocates are there in the province of Ontario, and what remuneration do they receive?

Mr. TOPP: There are 35 pension advocates all told. Of the 35, 4 are employed on a part-time basis, 1 in Charlottetown, Prince Edward Island, 1 in Kingston, Ontario, 1 in Fort William, and 1 in Victoria. All the others are full time. You asked about salaries?

Mr. WHITE: Yes.

Mr. TOPP: The salaries of pension advocates who are on a full-time basis are graded, 1, 2 and 3. Grade 1 is \$3,300 to \$3,900 per annum. Grade 2 is \$3,900 to \$4,500. Grade 3 is \$4,500 to \$5,100. Generally speaking part-time advocates are paid about \$2,000 a year for part-time service.

Mr. BROOKS: How do you grade them? Why do you have three grades? Do they not all do the same work?

Mr. TOPP: We have followed the practice of grading advocates in the larger districts somewhat higher than the others because of the reason that in addition to their professional duties as advocates they have administrative functions. In other words, in Toronto, for example, there is a staff of about 40 odd.

Mr. BROOKS: Would the third grade man have under him men of the first and second grades?

Mr. TOPP: That is so.

Mr. WHITE: Do you think those salaries are sufficient to attract the best type of men whom you should have for this important work?

Mr. TOPP: In some cases I do not. A competition was held by the Civil Service Commission, pursuant to a recommendation I had made to the deputy minister of the department, within the past six or seven months. It was dominion-wide, and its purpose was to build up a reserve of qualified advocates who could replace a number of our present personnel who are approaching the superannuation age. The salaries offered in connection with that competition were those which I have just mentioned. We were seeking young legally trained candidates with service, preferably service in operations in the second war. I regret to say that by and large we got very very few applications from the type of candidate whom we at first had hoped to obtain. The reason for that given to me by officers of the law societies of the different provinces was that the salaries provided were too low to attract the type of man we desired.

Mr. BLAIR: I think that is a matter to which we should give due consideration. A pension advocate must have some knowledge of procedure. On the other hand, he must have a knowledge of medicine. It is a difficult position to fill. He reviews the man's case on the question of appeal. He really has to have some advice or he has got to know something about it to decide whether or not there are grounds for appeal. We will come sooner or later to the knotty question of pre-enlistment disabilities. It is pretty hard for a pension advocate to tell. A man comes in to see him, and it is pretty hard for the pension advocate to tell the man that in view of these disabilities you possibly have a chance or you have not. That is a question that practically rests with the profession of medicine. I do not know how you are going to train men specially for that position except by long years of experience. It is a pretty difficult position to fill, and if you

can get a man capable of filling that position he certainly should be well paid. I do not know whether you can get men who can serve in that dual capacity, with a knowledge of medicine and a knowledge of law.

The CHAIRMAN: Dr. Blair, I am neither a doctor nor a lawyer. I have had a good deal to do with pension advocates generally, and with pension appeals. It has been held by successive committees, and by successive administrations, that the primary requisite of the pension advocate in an advisory capacity to the pensioner is that he should have a rather exact knowledge of the rules of evidence. He does stand in relation to the pensioner as his counsel. One has to remember that one of the duties of the pension commission is as a high court to interpret the legislation which parliament passes.

I am not commenting on it at the moment. It has been debated many times. In my experience I have found that a pension advocate who does, in fact, understand the rules of evidence, what is evidence as well as what is the law with respect to the legislation, is indeed a most valuable person. We debated it at great length in one of our committees some years ago as to the advisability of having medical men as pension advocates. The contention at that time was we would get a conflict of medical opinion between the advocate and the board rather than calculated advice.

You see when we deal with medicine—perhaps I am in error in phrasing this—we are dealing with opinion. When you are dealing with an appeal against legislation you are dealing with interpretation of legislation. I think that is the reason the emphasis has been put on the lawyer. God forbid that I should get tangled up in any discussion between the two professions, since I am of neither, but that has been the factor which has motivated previous appointments. I suppose the ideal pension advocate would be a man who understood medical jurisprudence. For that amount of money I do not think you can get him, and anyway there are not very many.

Mr. BLAIR: Further to the argument let us take just one of these cases presented by Mr. Herwig the other day. I would suppose that a pensions advocate must have had a great deal to do with the preparation of a case like this. The pensions advocate will inquire into the man's history. I am going to repeat the history here.

On enlistment this man denied ever having had any diseases with the exception of the rheumatism. In August, 1941, he was stationed at Debert and contracted a head cold. He continued on in service and while overseas he complained of head colds and nasal obstruction. Subsequently a diagnosis of chronic sinusitis was made. In the post-discharge period this man was under treatment for the chronic sinusitis and the mild bronchitis,

and so on.

Here is a case where a man complains of not only sinusitis but bronchitis and a mild metatarsalgia. It is not easy for a pensions advocate to deal with a man who comes in complaining of these conditions. The pensions advocate, without knowledge of them, has to proceed to prepare the case, and they have been doing very well, but in the taking on of new men I still maintain it is a most difficult position to fill, and the pensions advocates should be chosen with a good deal of care. I admit you cannot get men trained in both medicine and law, but it is a difficult position, and when you get good ones they should be properly paid, and the salary should be attractive to the man who can deal with that sort of thing. They are the go-between between the men and the pension board.

Mr. HERRIDGE: I should like to say a word. I have had something to do with pension advocates over a long period of years. I have previously found that legal training was not required. I know one of the most successful pensions

advocates in British Columbia, from the veteran's point of view, was a man who had no legal training whatever. I quite agree that legal training is possibly necessary, but I do think the great value of a pensions advocate is developed by his experience. He becomes experienced in presenting cases. He knows the law, and he knows from experience how to handle it. Therefore I think that is a reason why we should pay salaries sufficient to make certain that these men will remain with the department for a long period of time.

The CHAIRMAN: Before we pursue this any further, at the beginning of the meeting I did convey to you the report of the steering committee that we would proceed to deal with the bill clause by clause—in that you have concurred—and that we would deal with other matters touching on our views on the pension bill before we reported the bill. I have let this run on, and have even taken part in it, but I do suggest we should get back to the bill. If we want to deal with pension advocates we will have an opportunity before we report the bill. Shall subsection 3 carry?

Carried.

4. Section nine B of the said Act, as enacted by section six of chapter thirty-two of the statutes of 1939, is repealed.

Do you want to say anything on that?

Carried.

5. Subsection seven of section twenty-two of the said Act, as enacted by section fourteen of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:

The children of a pensioner who has died and who at the time of his death was in receipt of a pension in any of the classes one to eleven, inclusive, mentioned in Schedule A to this Act or who died while on the strength of the department for treatment and but for his death would have been in receipt of pension in one of the said classes, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not.

The WITNESS: Very briefly, that is a protective clause. We may have someone in hospital, a veteran who would have had a pension under clauses 1 to 11, and the documentation has not reached head office. We want to make sure that his dependents are provided for.

By Mr. Fulton:

Q. Why not extend the same protection to the widow? Why is this confined to children?—A. You will find that is provided under a subsequent section of the bill.

By Mr. Brooks:

Q. I notice that in the former section it was from 1 to 11 and you did not mention "inclusive". Were children included in 11 previously as a matter of administration?—A. Yes. Class 11 is 50 per cent, and just to make sure there was no technicality or possibility of error the commission added the word "inclusive", but we have always so interpreted the Act.

Q. It does not change the practice at all?—A. No.

By Mr. Fulton:

Q. I think probably Brigadier Melville in his answer to me had in mind section 7 of the present bill before us?—A. No, clause 8 of bill 126.

By Mr. Wright:

Q. Have there been any cases occur during the past year in which the failure to have this provision in the Act has prevented children from receiving pension, and if so, will this be retroactive to cover that?—A. There have been no cases.

We have exercised our discretion, but we want the Act to be so amended that it is not a question of discretion but a question of law.

Mr. LENNARD: I presume this would not be the proper time to take up the question of adopted children?

The CHAIRMAN: I think they are provided—

Mr. LENNARD: Would it be proper to take it up now or at the termination of reviewing the bill?

The CHAIRMAN: If it is not in the bill I think it preferable to deal with it by resolution afterwards.

Mr. BENTLEY: I did not hear the question.

The CHAIRMAN: The question was whether or not this was the time to discuss the question of the inclusion of adopted children of a veteran, and I have replied that I think the committee would prefer to deal with that by resolution when we have concluded the bill.

Mr. PEARKES: I was going to ask a question on the same matter, but I presume the definition of child as given in section 2 will apply to this new section.

The CHAIRMAN: The interpretation section says so.

Mr. PEARKES: It says that child also includes his step-child, his adopted child, his foster child or his illegitimate child.

The CHAIRMAN: Not being a lawyer, I understand that the purpose of the interpretation section is to define it. Shall section 5 carry?

Carried.

6. Subsections one and two of section twenty-six of the said Act, as enacted by section fifteen of chapter twenty-three of the statutes of 1940-41, are repealed and the following substituted therefor:

(1) A member of the forces, holding the rank of Lieutenant (Naval) or Captain (Militia) or Flight Lieutenant (Air) or a lower rank, who is totally disabled and helpless—

we have dealt with this—

whether entitled to a pension of class one or a lower class and who is, in addition, in need of attendance, shall be entitled if he is not cared for under the jurisdiction of the Department of Veterans Affairs, to an addition to his pension, subject to review from time to time of an amount in the discretion of the Commission not less than two hundred and fifty dollars per annum and not exceeding seven hundred and fifty dollars per annum.

We have already recommended \$480 and \$1,400 and have had it concurred in.

(2) If such member of the forces holds the rank of Commander and Captain under three years' seniority (Naval) or Lieutenant-Colonel (Militia) or Wing Commander (Air) he shall be entitled to an addition to his pension not exceeding two hundred and thirty-four dollars per annum; if he holds the rank of Lieutenant-Commander (Naval) or Major (Militia) or Squadron Leader (Air) to an addition to his pension not exceeding five hundred and thirty-four dollars per annum.

With respect to subsection (1) the committee has already recommended virtually double those figures, and the minister has indicated that the government concur in it. I suggest with respect to section 6(1) we should carry that as amended. Carried as amended. Does that cover subsection (2) as well? With respect to subsection (2) there is a recommendation of the committee carried at our last meeting. We have not been told as to what is to happen with respect to that.

Mr. Woods: Should not both subsection (1) and subsection (2) stand until the amendments are submitted?

The CHAIRMAN: Unfortunately the amendments cannot be submitted until the bill goes back to the House for third reading.

Mr. Harris: As I understand the procedure the minister will move in committee of the whole House to put in the amendments he has indicated that he will.

The CHAIRMAN: We cannot amend it and neither can they until they get the bill back. Perhaps it might meet the situation to suggest that the clauses be carried, and that when we report the bill we draw attention to the fact that we have carried these clauses with a recommendation for amendment, knowing of course, that we have already been granted one amendment, and I think expect we will get the other one. We cannot do anything more than that now.

Mr. Brooks: Carry it subject to the proposed amendment.

The CHAIRMAN: Subject to our report, carried subject to report. That is as far as we can go. We have already dealt with them.

7. Paragraph (a) of subsection one of section thirty-two of the said Act, as enacted by section twenty of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:

(a) No pension shall be paid to the widow of a member of the forces unless she was living with him *or was maintained by him* or was, in the opinion of the Commission, entitled to be maintained by him at the time of his death and for a reasonable time previously thereto,

Is that satisfactory?

Mr. Lennard: I should like to hear an explanation of that.

The WITNESS: Unfortunately, when the Act was amended in 1945, we omitted a few words. The Commission has maintained and carried out a policy as provided for in the amendment which is now before you. This is just to make sure it is incorporated in the Act.

By Mr. Lennard:

Q. Is the widow questioned or approached in the matter or, rather, is she given a chance to be heard?—A. Oh yes, very definitely.

By Mr. Pearkes:

Q. This section which pertains to the date line—I do not know whether you wish to raise that now or whether you wish it raised when we come to make recommendations? I propose to raise it some time.

The CHAIRMAN: This section does not touch it. I think it should be dealt with separately.

By Mr. Brooks:

Q. I should like to ask what the board considers to be a reasonable time previous thereto?—A. I think it would be very advisable, gentlemen, for me not to state any time. I say that with all due kindness because circumstances vary and the Act is very nicely worded as it is now. I am quite sure we can exercise our discretion.

Q. Do you exercise your discretion, so far as your opinion is concerned, whether a woman should be maintained by her husband or do you have to have a legal opinion?—A. No, in the opinion of the commission.

The CHAIRMAN: The commission interprets its own Act. Shall it carry? Carried.

8. That portion of subsection two of section thirty-two of the said Act, as enacted by section twenty of chapter sixty-two of the statutes of 1946, that precedes paragraph (a) thereof is repealed and the following substituted therefor:—

(2) Subject as in this Act otherwise provided, the widow of a member of the forces who was at the time of his death in receipt of a pension in any of the classes one to eleven, inclusive, mentioned in Schedule A to this Act *or who died while on the strength of the department for treatment and but for his death would have been in receipt of pension in one of the said classes*, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not.

The WITNESS: The same remarks as I made with regard to clause 5 apply here.

Mr. FULTON: I should like to ask why it is confined to classes 1 to 11 which takes it down only to those in receipt of 50 per cent pension. The widow of a pensioner receiving less than 50 per cent, under the provisions of this clause, would not be entitled to a pension.

The CHAIRMAN: Unless the husband's death was attributable directly to his service. Originally, that clause only dealt with those in receipt of 80 per cent, and a reduction was secured from 80 to 50.

The WITNESS: Originally, death had to be attributable to service for a widow to receive a pension. Then, parliamentary committees met and it was considered where the pension payment was 80 per cent or more, in the case of death, the severe pensionable disability must have been a material factor in the death, so the Act was then amended to provide that from 80 per cent and up the widow would be pensionable, irrespective of the cause of death. Then, there was a further broadening of the Act which provided that, in the event of death where pension was in payment in classes 1 to 11, which is 50 per cent to 100 per cent inclusive, the widow would be pensionable irrespective of the cause of death. The widow is always pensionable when death is attributable to service, irrespective of the amount of pension in payment, provided she is otherwise eligible.

Q. Is there any feeling that this should now be extended further to, say, include the 25 per cent pensioners? There must be a fairly substantial number of widows who, if the husband dies due to a cause which the commission rules is not a pensionable disability, will be left without any pension and yet not able to qualify for the widow's pension; is that not the case?—A. That is so. Take the case of a widow below 55 years of age; undoubtedly there will be unfortunate cases where a member of the forces dies and, at the time of death, the pension payment was from 5 to 45 per cent inclusive but death was in no way attributable to service. The widow is ineligible for a pension award within the provisions of the Pension Act and the only other provision, as Major Fulton has mentioned, would be the widow's allowance, provided she qualifies within the provisions of that Act.

By the Chairman:

Q. How about section 21?—A. Section 21 of the Act which we discussed very briefly, is not intended to provide for cases of that nature. It provides for cases which do not qualify for an award under the Act. Section 21 contains a provision by means of which a pension may be awarded on compassionate grounds in a case where the service was especially meritorious. In a number of such cases we have awarded a pension to the man and, in a number of cases where death has occurred and the man had meritorious service, we have awarded a pension to the widow.

By Mr. Fulton:

Q. Then, I believe we should certainly consider extending this provision to all classes of pensioners. I do not think there would be any great financial outlay involved. It would concern those widows who could not qualify for the widow's allowance. As soon as they became qualified for that, then they automatically receive the benefits of it. It would not cover many years in the widow's life and it would not bulk very large? A. I anticipated that question. For World War I, 23·56 of the disability awards and pension payments are to pensioners between 50 and 100 per cent, which means 76·44 per cent are in receipt of pensions of less than 50 per cent. For World War II, the percentages are 14·37 who are in receipt of pensions from 50 to 100 per cent inclusive, and 85·63 per cent who are in receipt of pensions of 45 per cent or less.

I have a figure here which may interest you. 3,683 pensioners of World War I are in receipt of total disability awards. There are 3,482 World War II pensioners who are in receipt of total disability awards.

Q. That would not mean if you extended this thing there would be 76·44 per cent of the widows who would become entitled to pension payments. They would not be entitled to them until their husbands died. Is there any way in which we could have figures to show the approximate number of veterans, let us say of World War I, receiving less than 45 per cent pension who have died, leaving widows not qualified for widow's allowance? Such a figure would give us some basis upon which to estimate what liability would be involved if you extended that section? A. I have not got those figures, I am sorry. I have these figures with me. 71·29 per cent of the veterans of World War I who are in receipt of disability pensions are married and 61·77 per cent of the disability pensioners of World War II are married.

The liability now for World War I for dependents—that is the group which would qualify, not the men about whom you are speaking—is \$10,589,147 and, for World War II, \$11,368,271.

Mr. Woods: Mr. Fulton suggested that the widows of those who died should be pensioned until the widow attains the age of 55 or becomes, due to her physical condition, unemployable. He suggests such widows might be carried under the Pension Act until that time, and then pay them under the War Veterans' Allowance Act. This would mean you would drop that widow's income from \$70 to \$45.

The CHAIRMAN: At age 55, when she needed the money most.

Mr. FULTON: Do not put the responsibility on me. The reason I suggested that was because you were going to have financial liability at a certain age under the War Veterans' Allowance Act, anyway. I suggested, to carry them under the Pension Act until that time would not mean a very substantial extension of the liability. If it were suggested they be carried under the Pension Act for the balance of their lives, that would be acceptable to me. I only put it as an answer to an argument which I anticipated there would be a substantial financial burden involved.

I know of one or two cases of men who have small farms and who have pensions of less than 45 per cent. While these men are alive, they are able to support their wives on the small income they receive from the farm plus their pension. After these men die, when the wife is, perhaps, fifty years old or more, she will lose the farm because she cannot carry on the work and she becomes literally destitute until she reaches the age at which she comes under the War Veterans' Allowance Act.

I am suggesting there would be a great number of widows, but it would not be a very great financial liability to cover that period. I would, therefore, move that section 8 of the bill be amended by deleting the words, "in any of the classes one to eleven inclusive, mentioned in schedule A".

The CHAIRMAN: Mr. Fulton and gentlemen: I cannot accept the amendment. The terms of reference of the committee are explicit. This amendment does involve, no matter how slight, a further expenditure and the committee has no power to amend an Act in a case where it means an increased expenditure under the Act.

Mr. FULTON: I simply move that we recommend that the Act be amended by deleting those words.

The CHAIRMAN: There will be an opportunity when we conclude consideration of the Act to consider this. I think the proper procedure, Mr. Fulton, if you so desire, would be to ask that section 8 stand. When we complete consideration of the bill, there will be certain resolutions to be considered. We have already sent resolutions previously with respect to a schedule to which we have not come as yet. On past occasions, we did indicate in committee our feelings concerning the question of helplessness allowances. The government did not wait for us to recommend that, they told us we could have it.

I cannot accept the amendment. Consequently, I suggest that section 8 stand. At the conclusion of it, if you desire to move a resolution respecting that, it will, of course, be in order.

Mr. HERRIDGE: Just before you pass that point, if it is Mr. Fulton's intention to move a recommendation such as he has spoken about, then I think the committee should have some figures before it in order to properly discuss the recommendation, we should have figures relating to the estimated cost of this proposal.

Mr. WOODS: The majority of the pensioners are in the lower categories. The net result of this recommendation would be that, while the pensioner was alive he would be receiving a 10 or 15 per cent pension, which would mean \$10 or \$15 a month for himself and his wife. When he died his widow would receive \$70 a month.

Mr. BENTLEY: I think this opens up quite a field. I wonder if we could secure figures to work out what this means? Could we have figures which would give us some idea as to the increased expenditure we would be recommending. Could we have the figures broken down into the various 5 per cent groups, that is, how much more it would cost if we made it 40 per cent or 45 per cent, all the way down the list? We might strike some place which would be acceptable to everyone.

The CHAIRMAN: I do not want to direct the committee with respect to questions of a general nature but, in order to get figures as precise as that, it would involve statistical work and the examination of practically all the files there are. It would also involve putting the onus on us of projecting what the progressive difficulties would be. We would be imposing a task upon the commission which would take weeks. I believe we will have to be satisfied with somewhat more general figures than those. I am sure the chairman and the deputy would be glad to give us any general figures sufficient to show us a picture of the thing.

Shall the section stand, gentlemen?

Mr. WHITE: Take the case of a pensioner who has a 45 per cent disability and is also drawing a pension for his wife and two children; on his death, do the children lose their pension, too? Does it stop, then, for both the widow and the two children?

The WITNESS: If death is not attributable to service?

By Mr. White:

Q. Take the case of a 45 per cent pensioner and death not attributable to service?—A. We pay one year's pension as a bonus on behalf of the children under those circumstances.

Q. Would you care to express an opinion on this; that the Act now pays a pension to the wife, taking the same case of a man with a 45 per cent pension, and for his wife, he receives approximately one-third of the pension. You are admitting there, or you are recognizing the fact that the wife is entitled to something. I should like the chairman to express an opinion as to whether, on the death of the husband, the wife is not entitled to some pension—I do not mean 60 or 70 per cent, but do you not think she is entitled to something?—A. I cannot express an opinion on that. I am sure Mr. White appreciates my position. What I can do is to give you figures showing the particular group about which he is speaking. For World War I, there are 3,614 disability pensioners at 40 per cent; there are 421 at 45 per cent and there are 3,771 at 50 per cent. For World War II, there are 3,280 at 40 per cent; 407 at 45 per cent; and 2,888 at 50 per cent.

May I also add that we keep away from the 45 per cent when it comes to making an assessment on a particular disability. When you come to total two or three disabilities you may get 15 per cent superimposed on a ten and another twenty and so get 45 per cent; we cannot help that. It is difficult to assess disabilities in multiples of five. It is for this reason, as these figures show, that the policy of the commission is to give the benefit of the doubt and give the greater award and not assess a separate disability at 45 per cent if at all possible.

Q. It always seemed to me that if, while the husband is living, the wife received a pension, it was only common sense that she was more entitled or more in need of a pension after her husband died and yet the Act makes no provision for that.

The CHAIRMAN: The answer, Mr. White, is this: while the pensioner is living, the wife is not pensionable. The pensioner is granted additional pension in view of the fact he is responsible for his wife and children. While the pensioner is living, the wife is not pensioned, but the pensioner, himself, receives a supplementary income because he has that additional responsibility; that is the strict interpretation of it.

Mr. WHITE: You are making a very fine legal distinction.

The CHAIRMAN: I am not making a distinction and I am not a lawyer. What I am suggesting is a fact.

Now, gentlemen, it is five minutes to one. It is unlikely, I think, that we can conclude our discussion this morning. I have been asked by Brigadier Topp to make a correction in the evidence he gave this morning in answer to Mr. White's question. This is directly to you, Mr. White.

Mr. TOPP: In answer to Mr. White's question *re* part-time advocates, I said there were four but, actually, there are seven. We were not able to get the men best qualified otherwise than on a part-time basis. There are part-time employees as follows: Charlottetown, Quebec, Montreal, Fort William, Kingston, Saskatoon and Victoria. Those are the locations.

The CHAIRMAN: Now, Mr. McKay, I think it was, asked a question of Mr. Melville and Brigadier Melville says he is now prepared to put the answer on the record.

The WITNESS: The question will be found on page 42 of the minutes of this committee. The first question was, "How many blind?" For World War II, there are 188 pensioners who are eligible for after care. This means they are either totally blinded or have loss of useful vision and are qualified for after care from the Canadian National Institute for the Blind.

"How many paraplegics?" was the next question. There are 114. There is one tri-plegic and three quadri-plegics, that is, with the four extremities paralyzed. There are varying degrees of paralysis. The sum total who are within that category is 254; that may include just the paralysis of one leg. Included in that figure of 254 are the figures of 144 I have just given.

The next question was, "How many amputations?" There are 1,960 amputation cases. This does not include minor cases such as a finger or toe.

The next question was, "How many total disability pensioners?" There are 3,482. Those figures apply to World War II. All these figures are just as near as one can compute them from the records. For World War I, the blind, 1,205; the number of paraplegics, not available. There are 2,795 amputation cases and 3,683 total disability awards.

The CHAIRMAN: Then, gentlemen, we have carried up to section 7. Section 8 stands for the moment. We will begin tomorrow morning with section 9, and, upon conclusion of consideration of the bill, we will then proceed to deal with the resolutions which may come forward. The committee is now adjourned until tomorrow morning at eleven o'clock.

The committee adjourned to meet again on Friday, April 30, 1948, at 11.00 a.m.

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(Service Veterans Affairs Special)
Committee on, 1947/48

(SESSION 1947-48
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 13


FRIDAY, APRIL 30, 1948

WITNESSES:

Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman,
Canadian Pension Commission;

Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pensions
Advocate, Department of Veterans Affairs.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1948



ORDER OF REFERENCE

FRIDAY, 30th April, 1948.

Ordered,—That the name of Mr. Timmins be substituted for that of Mr. Green on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MINUTES OF PROCEEDINGS

FRIDAY, April 30, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Belzile, Bentley, Blair, Blanchette, Brooks, Dickey, Emmerson, Gauthier (*Portneuf*), Gregg, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, McKay, Moore, Mutch, Pearkes, Quelch, Skey, Tremblay, Winkler, Wright.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Assistant Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pensions Advocate, Department of Veterans Affairs.

Mr. Melville was recalled and tabled statements of the itinerary covering pensions of Appeal Boards of the Canadian Pension Commission during the year 1947, and a summary of Appeal Board cases heard during the year 1947, which are printed as *Appendix A* to this day's minutes of proceedings and evidence.

Mr. Topp was recalled and questioned.

Mr. Woods was recalled and questioned.

Mr. Melville filed a statement of decisions granting pension entitlement for a pre-enlistment condition and pensionable for the degree of aggravation, which is printed as *Appendix B* to this day's minutes of proceedings and evidence.

On motion of Mr. Harris,

Resolved,—That a sub-committee consisting of five members, to be named by the chairman, be appointed to consider and report to the Committee on the question of veterans who have been deserted by their wives, and more particularly those who have obtained divorces which are not recognized under Canadian law.

The chairman named Mr. Harris as chairman, with Messrs. McKay, Brooks, Quelch and Viau as members of the sub-committee.

The Committee resumed consideration of Bill 126, An Act to amend the Pension Act.

Clauses 8, 9, 10, 11, 12, 13, and the title were adopted.

The Committee proceeded to consideration of further recommendations respecting pensions contained in the brief of the Canadian Legion.

At 1.00 o'clock p.m. the Committee adjourned until Tuesday, May 4, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

April 30, 1948.

The Special Committee on Veterans Affairs met this day at 11.00 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: In the course of our discussion yesterday a series of questions were asked of the chairman of the Pension Commission. He tells me that in the intervening period he has had his staff prepare answers, and some of the tables required for us. I shall now ask Brigadier Melville to make known to the committee what he has.

J. L. Melville, Chairman, Canadian Pension Commission, recalled.

The WITNESS: Mr. Chairman and gentlemen, a very interesting discussion from the committee point of view, I am sure, and also that of the commission, took place with respect to appeal boards of the commission. I have statements here which I will outline very briefly, and I suggest that they be incorporated in the minutes of this meeting. I hope you will find that they give you the exact details of what has happened.

Statement No. 1 is a summary of appeal board cases showing the points at which claims were heard during the year 1947. It shows the total for the provinces and the total for the hearings in the different cities in each province. For instance, in New Brunswick for Moncton, Fredericton and Saint John it shows the number of sessions which were held at those various centres, and it shows the number of days in session.

Statement No. 2 is a recapitulation of the cases heard by the appeal boards in 1947, and as it is fairly brief I might give you that, Mr. Chairman. Prince Edward Island, 16; Nova Scotia, 44; New Brunswick, 74; Quebec, 317; Ontario, 646; Manitoba, 81; Saskatchewan, 107; Alberta, 88; British Columbia, 150; a total of 1,523 hearings.

During the year 1947 the commission was notified by the veterans' bureau or veterans' organizations of 1,312 cases listed as ready. The difference between the 1,312 and 1,523 is the carry-over from 1946. The upshot of this would be of interest. 1,050 were active force cases, and of those 481 favourable decisions were rendered and 569 unfavourable. 201 were C.E.F. claims of which 58 were ruled as favourable and 143 as unfavourable.

Then there is the point that was raised by Colonel Brooks yesterday as to whether the members of the appeal board heard other types of cases. There were. Cases other than straight entitlement claims, that is, cases dealing with a change in the base of entitlement, cases dealing with complaints on assessment, and cases in which probably the award payable on behalf of a widow has been suspended, totalled 92 which fell within that category. Of those 30 were ruled upon as favourable and 62 as unfavourable. 124 of the cases that were listed were withdrawn. The reason for that in most cases probably was for more evidence, usually at the suggestion of the members of the appeal board or the advocate with a view to bringing forth additional evidence in favour of the man. Any cases that were withdrawn were definitely withdrawn in the best interests of the

applicant. 56 cases were struck off. The majority reason for that was that the applicant failed to appear, or he may have decided at the last minute to claim for a new condition, and if he does so then he must come back to the commission and have that claim dealt with before he goes to an appeal board.

By Mr. Brooks:

Q. As to cases that are struck off, does the veteran have to prepare the case again or do they use the file or presentation he had?—A. The presentation, Colonel Brooks, is used again with such additional evidence to assist him in the advancement of his claim as is prepared by the advocate on his behalf.

Statement No. 3 is the itinerary covering the sessions of appeal boards of the Canadian Pension Commission from the beginning of this week until the end of June. That shows the places where hearings will be held. It shows the dates of the hearings, and it shows the composition of each board, that is, the three members of the commission who constitute the board. We are booked up to the end of June.

Apropos of the remarks by Mr. Cruickshank in which he mentioned that he was of the opinion a number of cases were outstanding, and possibly delays were occurring, statement No. 4 is a check of the absolute number of cases listed as ready for hearing by the commission, and which have not been provided for at the moment, but they will be. Saint John, 6; lower St. Lawrence, 14, and a session is being arranged. That is in Gaspé. Montreal, 29; Kingston, 6; North Bay, 9; Toronto, 61; Hamilton, 12; Guelph, Stratford and Windsor, 18; Winnipeg, 9; Regina, 9; Prince Albert, 1; Edmonton, 9; Calgary, 12; Vancouver, 36; Victoria, 9; Penticton, 1; Kamloops, 1; a total of 242 cases which have reached the commission since the last appeal boards were organized and planned.

Q. Take the case of Prince Albert which only has one. Unless they have 6 or more that one will be brought down to some other point? The commission would not go to Prince Albert to hear one case?—A. That is quite correct. If we had 4 or 5 cases in Prince Albert we would probably consider it advisable to have a board go there for a one day or a two day session, but not for one individual case.

Q. Arrangements are made to pay the man's expenses to some other centre?—A. Not only his own expenses, but the expenses of his witnesses. With your permission I will table these four statements. (See appendices).

By Mr. Bentley:

Q. Are the expenses paid of all concerned even in the event of an unfavourable decision?—A. Yes.

The CHAIRMAN: If he is called in his expenses are paid whatever the decision. It is not like law. You do not have to win to get your money back.

Mr. BENTLEY: Pardon?

The CHAIRMAN: It is not like in a court. You do not have to win to get your money back.

The WITNESS: For instance, if an applicant has lost time he brings in a lost-time certificate and he is reimbursed for his out-of-pocket expenses as well. He is reimbursed for his travelling expenses. If he brings in, or the advocate on his behalf calls a profession witness, a doctor, his expenses are paid.

Mr. PEARKES: Those figures are most interesting, but I am still convinced that there are instances of delay, not delay caused by the appeal board but delay caused in veterans being able to have their appeals prepared and made ready for the sittings of the appeal boards.

That applies particularly in those parts of the country where you have not got a permanent pensions advocate. In the southern part of Vancouver Island, as I mentioned yesterday, we have no permanent pensions advocate. We have a part-time lawyer who runs his own business and who is a thoroughly

capable and conscientious man and who gives as much time from his own affairs as he can to helping veterans prepare their cases. However, a person comes in from the country district, and it is more than likely that the pensions advocate is in court attending to his own business. He cannot give that man attention at the time that he drives in from the country. I know from personal experience that there have been considerable delays in getting their cases prepared.

I do not want to emphasize the point unduly, but the lower part of Vancouver Island has been particularly attractive to the older veteran. The climatic conditions there have enticed a number of men who have resided on the prairies at one time to come and spend their declining years on Vancouver Island. It is a well known and well established fact that a good percentage of men left that part of the country in both world wars. I think it is perfectly fair for me to claim that on the southern part of Vancouver Island there is an exceptionally high percentage of veterans. I do not know whether the chairman of the pensions commission can give any figures as to the number of cases which might be coming up before these pension appeal boards, but I suggest that every veteran is a potential case in the future, and it will be increasing.

Here we have the story of an appeal board having been out in Vancouver only this month, and already there are 9 cases waiting. We were told yesterday that it would be September before that appeal board could get back to Victoria. That is reasonable. I do not question that, but I just give that illustration to show that I feel convinced that the bottle neck is not with the appeal board. The bottle neck is in those places where only a temporary pensions advocate is employed. I would ask very definitely now that the minister give the most careful consideration to appointing a permanent pensions advocate in Victoria.

The CHAIRMAN: Gentlemen, I think I should point out at this time that I have no desire to terminate this but the chair was in error yesterday in allowing on a discussion of the pensions bill a very generous discussion on the question of pensions advocates who are not related to the pensions bill but are servants of the Department of Veterans Affairs. The discussion as to their problems might more properly come up on departmental estimates. They are not presently before the committee. I should like to suggest to Mr. Pearkes at the moment that if an appeal board has just left Victoria, and as of this morning there are already nine cases ready the part time advocate must have been very busy in the last week.

Mr. TOPP: Let me say at once that I am not in favour of part time pensions advocates, but occasions arise when it has been unavoidable to attend to our work otherwise than by means of part time officers. I am not aware of any delay whatsoever in the preparation of appeals on Vancouver Island. While it is true that Mr. Sedger, the part time advocate, also has a private practice, we did make provision for added work arising out of World War II cases and increased the clerical staff in Victoria, and the senior member of that staff is a full time employee. He is there every day. He was the only applicant for appointment as a pensions advocate who put in an application from that area during the competition which I mentioned yesterday.

In other words, the present part time advocate, who has been steadily employed since 1930 or thereabouts, is the best qualified, and the most experienced advocate in that part of the country. I think it would be a distinct disservice to the veterans to replace that man. May I also add that an appeal is the final step which can be taken under the Pensions Act to get entitlement to a pension. We are reluctant to report an application ready for hearing until we have explored that case to the ultimate limit. All cases that were reported ready by us were heard by the commission at the last sittings. If we had had more cases ready they would have heard them. As I say if there are cases outstanding in Victoria that have been outstanding for any appreciable period of time the reason for that is that we do not think it is in the interests of the applicant concerned to report them ready.

The CHAIRMAN: I want to make a correction. I should not have said that the advocates are not in the Pension Act. What I meant to say was they were not under the commission. For that reason I referred the question to Brigadier Topp. Will you continue your submission?

The WITNESS: Another interesting discussion yesterday was participated in by quite a few members, I think Mr. Fulton, Mr. Herridge, Mr. Bentley and Mr. White. The question was, was it at all possible to estimate the liability that would be incurred if pension was awarded to the dependent widow of a pensioner who died when pension was in payment at 5 per cent to 45 per cent and death was in no way attributable to service. You will readily realize that was quite a poser, but the records division, which is under the control of the chief treasury officer, does excellent work. In every case where a pensioner dies it is necessary for the commission to render a decision. We must say whether or not death was attributable to service. We also have to deal with the disposal of the unpaid balance of pension. We have to deal with the possibility of granting one year's pension on behalf of the children. So that there are records of all such cases. The treasury officer, in carrying out a fairly good check, advises me this morning that there are 8,049 cases wherein the commission have rendered a decision that death was not attributable to services, and as a consequence the widow was not entitled to an award of pension. These are World War I claims.

Now, the immediate cost, if pensions were awarded to these widows, is estimated to be \$5,760,000. But I must point out that that is only the beginning, because if there were dependent children, and the widow was recognized, it would be impossible to deny the same consideration on behalf of the children; and if there were a dependent father, mother, brother or sister, the same situation would arise. So, the estimate I have quoted is in respect to the liability to make provision for the widow only.

By Mr. Brooks:

Q. Those 8,049 cases that you mentioned, those are for widows on a pension below fifty per cent?—A. Quite correct.

By Mr. Wright:

Q. What is that figure of \$5,760,000 based upon?—A. It is based upon the statutory award to the widow, as of right, as contained in the Pension Act.

By Mr. Woods:

Q. Is it worked out on the basis of \$60 per month, or is it worked out under the proposed amendment of \$75 a month?—A. At \$60, as in the Act today.

Q. Therefore, if the pension were increased to \$75, it would be correspondingly higher?—A. That is correct.

The pension liability is simply tremendous when we take into consideration the number of pensioners of World War I, who are living today and are in receipt of pension.

By Mr. Bentley:

Q. That is right down to the five per cent?—A. Yes.

By The Chairman:

Q. That is just World War I?—A. For World War I only. And you could have the case—and this is by no means uncommon—of a man whose service was solely rendered in Canada. I am not speaking of this in any disparaging way; but he could receive a five per cent to ten per cent award of pension for a very minor disability, and then he might die from something which had no relationship to that pensionable disability. Death comes to all of us.

On the other side, you may have a member of the forces who enlisted in 1914 and who served right through World War I and who was discharged in 1919, who came back and has never been in receipt of an award of pension. Similarly, in the case of someone who served in World War II. So you must weigh these factors and determine equality. I hope the estimates which I have given and the figures will be of some assistance to you.

Q. Have you got the estimates for World War II?—A. I have no estimates whatsoever. We have already, in respect to World War II, had a number of sad deaths of men, through accident and other causes, such as pneumonia or something like that, but in no way related to their service. There are not many, and I could not give you any estimate whatsoever, but it would be, eventually, in excess of World War I, because we have 650,000 members of the forces who served in World War I, while we have 1,100,000 who served in World War II.

And in connection with world war II, over 50 per cent served in Canada, slightly over 50 per cent.

Now, Mr. Chairman, if that is all, I would like to have the permission of the committee to answer a question which was originally asked by Mr. Wright. It is to be found on page 20 of the proceedings. The reason why I make this request is because it deals with a subject which is very, very difficult indeed, and one regarding which no really accurate figures have been available. I refer to cases in which the commission has rendered a decision that the disability was "wilfully or deliberately concealed at the time of enlistment," was "obvious," or was "recorded."

I am not going to enter into a discussion of the subject, but with the permission of the committee I would like to say that I went to the Chief Treasury Officer and asked him if it was possible to get any figures. He said that his Records Officer maintained a card record and that it would be necessary to count each individual card. I said I would like very much, in anticipation of what was bound to be a hot subject with this committee, to have all the information available. Now I have it, and it is available to the committee; and with your permission I would like to table it so that the actual figures would be available to every member of the committee, in readiness and in preparation for the discussion which will take place. I am not a lawyer and I may not be well advised in putting it in now. But I have endeavoured at all times to put before this committee all the facts and figures which we have.

The CHAIRMAN: Gentlemen, before the meeting, Mr. Melville told me that he had prepared this factual brief. We all know that this question will come before the committee, so I took the responsibility of saying to him that I thought the committee would like to have the information in advance of the discussion which we know is coming. Is it the desire of the committee that this information should be published as an appendix to this meeting?

Carried!

The Chairman:

Q. You have no desire to speak to us now, Mr. Melville?—A. None whatsoever.

(See Appendix, page 428).

By Mr. Quelch:

Q. I would like to ask Brigadier Melville a question regarding what happens to the unpaid portion of a pension. According to section 20 of the Pensions Act, subsection (4):

Any pension or balance of pension, due to a deceased pensioner at the time of his death, whether death occurred before or after the coming into force of this subsection, and whether unpaid or held in trust by the Commission or by the Department, shall not form part of the estate of such deceased pensioner.

As I understand it, any unpaid portion of the pension would revert to the Crown and would not become part of the estate. On the other hand, the Pension Commission have a right, a discretionary power, to allow that unpaid portion to go to the dependents of the pensioner, provided, apparently, they can show that certain expenses have been incurred prior to his death.

Is it the general practice that, upon the death of the pensioner, any unpaid portion of the pension, or any pension cheque which has not been signed, is invariably turned over to the dependents of the pensioner?—A. It is not a general practice, it is the absolute practice of the commission. When death occurs, and a cheque has been issued in favour of the pensioner, that cheque is not negotiable. It is returned to the commission and a new cheque is immediately issued in favour of the dependents.

Q. Then why is it a discretionary power? Why is it not made mandatory in the Act?

Subsection (5) of Section 20 of the Act reads:

The Commission may, in its discretion, direct the payment of such pension, or balance of pension, either to the pensioner's widow, and/or child or children, or may direct that it be paid in whole or part to any person who has maintained him or been maintained by him or towards the expenses of the pensioner's last sickness and burial.

I should think that, in so far as the dependents are concerned, it should be mandatory.—A. Where there is any evidence of dependency, there is no question whatsoever of the money being paid over. But where the pensioner may have had no dependents—there may be no one; he may be a single man—it does not just revert to anybody or everybody. We direct that the money shall go to a responsible party when indicated.

Q. The case I have in mind was brought to my attention at a public meeting last year when a man asked me whether or not, in fact, the unpaid portion of a pension cheque was paid to the dependents upon death. I said, "Yes," and he said: "I am wrong. I am the brother of a pensioner who lived with me for years. He died. When he died, I had in the house two cheques that had been paid to him, but which he had not signed. I had to return those cheques to the Pension Commission, and I was notified that they were not part of his estate, so I took it up with the Pension Commission and told them that I had been keeping that pensioner and paid for his funeral expenses. Finally, they issued to me one of the cheques, but my expenses were far more than they allowed me." —A. I am very glad you brought that case up because, if that brother was able to show to the commission that the facts were as stated by you, there would be no doubt whatsoever. I have seen innumerable cases. Not only is that so, but you mentioned funeral expenses.

The commission would also in the case of a pensioner, where the estate was unable to bear the cost take care of funeral expenses. There is a provision in the Act, and we pay to the extent of \$100 for funeral expenses and to the extent of \$50 in respect to the last illness expenses which might have occurred. So there should be no situation arise in which a charge of that kind could be made.

Q. It is safe to say it is always done, the explanation is made as to the liabilities which have occurred?—A. I have no hesitation in saying so.

By Mr. Brooks:

Q. Let us take the case of a man who has been boarded and receives a pension of 20 per cent, due to aggravation of a disability which they claim arose pre-enlistment. This man appealed and some months afterwards the Appeal Board say it was not pre-enlistment. Then this pension is increased to a 40 per cent or 50 per cent pension. Is he paid the difference between what he received originally, the 20 per cent, and the 40 per cent and 50 per cent

which he received later on? Is it made retroactive? Or does he just receive the 40 per cent or 50 per cent from the time of the decision of the Appeal Board?—A. He has, up to a certain stage, enjoyed certain rights under the Pension Act and he has pursued a claim with respect to a pension and he has established his claim by virtue of a more favourable decision issued by an Appeal Board of the Commission. When the decision of the Appeal Board is rendered, it is submitted to the commission as a whole and we determine to what extent we may pay retroactive award of pension. That is governed by provisions of section 27 of the Pension Act. We may pay it from the date of grant; or from the date of the decision, or, in certain cases from twelve months prior to the date thereof.

Q. Why should he not receive it as a matter of right? If it were not a pre-enlistment condition he was entitled to a pension from the time of his original boarding? I should think he would be entitled to it from the outset if a mistake was made at the time. I have a letter here, this morning, and that is the reason why I asked the question?—A. Most of the members of the committee will remember that following world war I, for many years thereafter, when entitlement to a pension was conceded by the Board of Pension Commissioners, which was the body of those days, it was made retroactive to the date of discharge from service; and sometimes, very, very substantial adjustment cheques were involved, \$10,000 to \$15,000. It was the subject of discussion. I think wrongly so, but it was made a subject of discussion that the reason why the commission did not grant entitlement in some cases was on account of the tremendous liability in respect to retroactive awards.

A special committee of veterans affairs studied that subject, and as a result of their deliberations and recommendations the Act was amended and there was a limitation imposed in the Act. It is provided in section 27; and there are statutory limitations. I would imagine the reason for it is that when a claim reaches the stage of going to an appeal, it is not a clear cut claim one way or the other. But we do go back to the maximum period permissible. It is a right by statute.

The CHAIRMAN: I think that you and Mr. Wright, and I will have to take some responsibility for the establishment of that case.

By Mr. Brooks:

Q. In the last war there were a great many cases.

The CHAIRMAN: It is the same. Gentlemen, when we rose yesterday, we had completed the first seven sections of the bill and we had allowed section 8 to stand, pending some further discussion.

One of the members of the committee, who was absent for a few minutes yesterday, wishes to have an opportunity to say a word about section 7, although section 7 has carried. I think, perhaps, the committee would desire that he be given an opportunity to get on the record his observations. Now, Mr. McKay.

By Mr. McKay:

Q. I am sorry that I had to be absent yesterday at twenty minutes to one when this clause came up. I think we will have quite a serious problem in connection with cases of divorce, and I cannot see any place to bring up the subject except under section 7.

With respect to the matter of Canadian pensioners who have had their wives, whom they married either in Britain or elsewhere, desert them and return to the old land, in quite a few cases those wives were able to secure divorces. Now, that pensioner needs some helpmate, and he finds himself in a very serious position, so much so that there are not a few cases where the pensioners have remarried. I do not condone this, if it is an offence against the law, but in many

cases these men were not aware that they were breaking the law, insofar as the fact remains that these divorces which were granted elsewhere were not recognized in Canada.

My point is: I think the commission should have sufficient latitude to deal with some of these cases and to recognize that it is a serious problem. I know there are many who argue that we would have to change our whole divorce law system in order to make it possible for the commission to handle such cases. But I have in mind many of those lads who are in pretty serious condition and who do need a helpmate of some sort. It has not been their fault that their wives could not adjust themselves to our environment and returned to the United States or to Britain and secured divorces, with the result that the lads have been left without anybody to look after them.

I believe that this commission should have latitude enough to deal with those cases, which are probably not very numerous. Nevertheless, it is a problem which should be considered. I do not think these lads should be penalized through no fault of their own. I know of cases of boys who were maimed and who have had this happen to them and who are quite unconscious of the fact that they were breaking the law when they remarried, and their wives are now deprived from the pension scheme. There is no case, so far as I am aware, where these wives would be likely to receive a pension on the death of their husbands, and furthermore, they are not subject to the dependents allowance, so I believe it is a matter which somebody should consider. We could at least bring in a recommendation of some kind.

The WITNESS: Very briefly, gentlemen, let me say that the commission has authority to pay additional pension to the wife of a pensioner. And if that pensioner has married, and the marriage is not properly dissolved, and he goes through another ceremony of marriage, the commission may only recognize the second marriage provided it is a legal marriage and she is, in fact, his wife.

Mr. McKAY: "Not properly dissolved" does that mean that if she went to the United States and got a divorce, or went back to Britain and got a divorce, in Canada it would not be properly dissolved? I suggest, Mr. Chairman and gentlemen, that the discussion is very relevant. The Minister brings out one point and maybe it might be deferred for a little more free discussion because, if a Canadian pensioner who cannot get a divorce in Canada, seeks relief in the United States and gets a divorce there, and returns to Canada and remarries, if that United States divorce is not accepted by the laws of this country, then the commission cannot do otherwise than accept the laws of this country. I suggest possibly we might have a discussion later on.

Mr. BROOKS: Mr. Chairman, I brought the matter of divorce up in the House, I think, two or three years ago. In Great Britain there were thousands of wives who were deserted, of course—I say "of course"—we know they were deserted by Canadian, Australian and American soldiers.

Mr. BENTLEY: Mr. Chairman, it is quite impossible for me to hear Mr. Brooks and this may be very interesting.

Mr. BROOKS: I say that the British have dealt with this matter as far as British wives are concerned. They passed an amendment to their Act making it not the domicile of the husband but the domicile of the deserted wife and making it legal for her to apply for a divorce in her own domicile. They have permitted the British wives to obtain divorce in England. That is, those wives who were deserted by their husbands. I brought the matter up in our own parliament a few years ago, and we were told that it was almost impossible to deal with it because it is a provincial matter more than a federal matter. However, it does seem to me there were so many cases that there should be some amendment drafted or there should be an agreement between our federal authorities and our provincial authorities making it possible for these men to obtain divorce. I had

two cases in my own office in Sussex relative to the same matter. The men came home and the wives would not come out and join the husbands in Canada. These are young men and they cannot get married. One young man bought a piece of land—he expected his wife to come out—and he built a house on the land and she refused to come. There are many cases like that across Canada. I think a recommendation from this committee should go before parliament and we should press for action on this matter.

The CHAIRMAN: Gentlemen, if I might point out—I did not know what Mr. McKay wanted to bring up—but this is not relevant to section 7.

Mr. McKAY: It was the only place I could bring it up.

The CHAIRMAN: We might leave these matters which might be the subject of a resolution; but the position is this: we have a specific body of legislation before us. We have the power to make recommendations on matters which are matters of opinion in our final report when we report the bill; and if this committee should desire in its wisdom to say to the House when it makes its final report that in our opinion some study or thought should be given to the impossible position of the deserted Canadian veteran that would be in accordance with our terms of reference.

With the consent of the committee I am going to rule that particular phase of the matter out of order. It may be brought up by anybody later.

Mr. McKAY: As far as I am concerned I accept that position for the moment.

Mr. WRIGHT: May I ask if before we discuss this matter Colonel Melville might obtain information as to whether any of the provinces have passed laws which would cover these cases. It runs in my mind that one province has passed some law with respect to this matter—I am not positive—but I think we should have that information.

The WITNESS: I should be very pleased to bring to the committee a statement of commission policy covering the situation and that raised by Mr. Wright as well.

Mr. HARRIS: Mr. Chairman, I am going to take exception to your ruling. This is the only place I can safely do that.

The CHAIRMAN: I do not know whether you are safe or not.

Mr. HARRIS: May I make a suggestion to the committee? Mr. Brooks is fully cognizant of the law and a good many of the facts in connection with this problem. Mr. McKay has studied it. I am sure that the committee would not want to conduct a full-time discussion on this problem since it is a technical one affecting a certain number of people and is not a general subject. Now, would I be in order if I asked the chairman to appoint a committee which would go to work and prepare its report for the main committee, rather than have the main committee discuss this matter generally when we get around to it for recommendation?

The CHAIRMAN: I am in the hands of the committee. I shall be very glad to do that.

Hon. Mr. GREGG: That is on the point raised by Colonel Brooks, is it?

The CHAIRMAN: Yes; on the question of what can be done in those cases.

Mr. HARRIS: As regards the extent of the problem and what can be done with regard to it.

Mr. BROOKS: It is not an amendment under this Act?

The CHAIRMAN: No, it is something to consider as to what a final recommendation of this committee should be on a veteran matter.

Mr. WINKLER: May I ask whether something could be done to make inquiries as to common law wives and children?

The CHAIRMAN: Common law wives and children are reasonably well provided for in legislation.

The WITNESS: Provision is made in the case of the common law wife when she was living with and being maintained by a member of the forces at the time of his enlistment or a reasonable time previously thereto; but if that member of the forces is discharged from service and some time afterwards enters into such a relationship we cannot accept that responsibility.

The CHAIRMAN: Would you suggest, Mr. Harris, what size the committee should be?

Mr. HARRIS: I would think four and the chairman. I think that would take care of our representation.

Mr. BROOKS: We might have Mr. Harris act as chairman.

Mr. HARRIS: That is hardly fair.

The CHAIRMAN: I will look around and suggest that the committee be composed of Messrs. Harris, McKay, Brooks, Quelch and Viau. If that is satisfactory I will suggest that committee and ask them to convene under the first named member.

Now, we have come to section 9, which reads as follows:

9. Subsection two of section thirty-three of the said Act, as enacted by section twenty-three of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:—

(2) In cases in which a member of the forces has died leaving a widow or a widow and children or orphan children entitled to pension in addition to a parent or person in the place of a parent who previous to his enlistment or during his service was wholly or to a substantial extent maintained by him, the Commission may, in its discretion, award a pension to each such parent or person not exceeding four hundred and eighty dollars per annum.

The WITNESS: Gentlemen, it is well you should thoroughly understand the provisions of this very beneficent section in the Pension Act because you will note that when a member of the forces dies and leaves a widow or widow and children or orphan children entitled to pension, and in addition a parent, we may pay pension on behalf of that parent or parents.

Now, the amount used to be \$180. By order in council of 1944 the amount was increased to \$360, and the Act was amended by action of this special committee in 1946. The recommendation before you is to raise the amount to \$480; if there are two parents they may each get that amount. I ask you to bear in mind that there also will be in the same picture possibly a widow or widow with a child or children or orphan children on whose behalf additional pension is also being paid.

Mr. WRIGHT: Is this pension only paid where the parent has already been receiving the benefit from the Pension Act, or can anyone come in who has not been receiving a pension previously?

The WITNESS: That is a very good question. The Act provides for prospective dependency, and where it is established to the satisfaction of the commission that had the member of the forces been alive he would have or was likely to have supported that parent, we may make the award.

Mr. BROOKS: May I call attention to the fact that this is an increase of 33½ per cent?

The CHAIRMAN: Mr. Brooks, you are a hard loser.

Mr. WRIGHT: I know this is a generous provision, nevertheless with the payment of \$480 we are going to find that the old age pension paid in certain provinces plus medical health services, are more attractive to the recipient than is this provision. I think in the province of British Columbia—I am not positive

of this; the British Columbia members can correct me if I am wrong—the old age pension is now either \$37 or \$38 a month plus medical health services. Now, those medical health services are worth at least \$5 a month. One of these widows would be better off under the Old Age Pension Act in British Columbia than under our Pension Act which we are considering. I think that also applies in the province of Saskatchewan where the pension is \$35 a month plus medical health services. The medical health services are worth more than \$5 a month. It seems to me that even though this is a generous provision the more social-minded provinces are making better provision for their aged people, and we would be putting an added burden—I notice Mr. Harris indicates that Ontario comes under that class; they have \$40 a month, but there are certain restrictions with regard to that which narrows its coverage. It is a case of whether we wish to turn over these people, normally coming under this Act, to the provinces as they normally would be turned over if this provision remains at \$480. I think the committee should consider that point.

The CHAIRMAN: I think the committee should not lose sight of the fact that these benefits will be of substantial assistance to these people who have not yet reached the age of seventy years in the various provinces; I think we ought also to look at the absolute figure rather than at the somewhat nebulous—I think in the mind of the public—advantages of public health services as they exist at the moment. I think we had better not—if I may suggest it—look at a substantial increase, which we in the committee have not asked for, as though looking a gift horse in the mouth, even though it may be necessary at some later date to make some further change. This one came as a result of the obvious need of the situation without solicitation and I should think we would be very well advised to accept what we have.

Mr. WRIGHT: I am not objecting to accepting it; but I point out to the chairman that these health services that are provided are not nebulous in the mind of the people who are receiving them; they are pretty concrete and provide a sense of security that I do not think even an additional \$5 a month would secure.

The CHAIRMAN: Shall the section carry?

Carried.

The next section deals with South African war veterans while recipients reside in Canada, to be brought up to the amount payable under this Act.

10. Section forty-seven of the said Act is repealed and the following substituted therefor:—

47. The pensions which are now being paid by Great Britain for disabilities or deaths which occurred during the South African war to or in respect of members of the Canadian contingents which served in that war shall hereafter be supplemented during the continuance of the residence in Canada of the recipients of such pensions by such additional pensions as will make the total of the two pensions received by them equal to the pension that would have been awarded if they had been disabled or had died in the military service of Canada during the war, and the widows of such recipients shall be entitled to the benefits of this Act in so far only as the same or equivalent benefits are not provided under the laws or regulations of the United Kingdom of Great Britain and Northern Ireland; provided that payments may be made under this section only to such persons as are residents of Canada and during the continuance of their residence therein.

The WITNESS: If you look at the Act as it is today you will notice that it reads in section 47: "The pensions which are now being paid by Great Britain

for disabilities or *deaths* . . ." We have a case of a member of the Canadian Mounted Rifles who served in South Africa. His regimental number was 166. He was in receipt of a total disability award of pension from the British ministry for the loss of a right eye and the loss of a right arm, and that pension has been supplemented to Canadian rates for many years. He died last year, and unfortunately the regulations of the British ministry do not permit the award of pension on behalf of his wife. There was no authority in the royal warrant; and if you read the Act as it is today you will see that the provision is where pension is being paid for death. The purpose of this amendment which is introduced by the commission is simply this, that we wish to see, as you all would, that this widow is placed in exactly the same position as she would be had she been the widow of a Canadian who served in World War I or in World War II with the Imperial forces.

MR. BLAIR: How many South African veterans are there? I suppose there is only a small group?

THE WITNESS: Yes.

HON. MR. GREGG: Five hundred or something like that.

MR. PEARKES: Is the clause whereby you insist on residence in Canada applicable only to the widows of South African veterans or is it applicable to widows of veterans of the other wars?

THE WITNESS: It applies to widows of World War I and World War II where there is pre-enlistment domicile and the supplementary award of pension may be paid during residence in Canada or continuance of their residence therein. That covers all cases. They will all be on a par; South Africa, World War I and World War II.

MR. BROOKS: There are no exceptions at all?

THE WITNESS: No.

MR. PEARKES: Take the case of temporary absence from Canada, where a widow goes to visit in the United States or in the old country on a temporary basis; now, I believe that the pension is stopped as soon as she leaves this country. It may be renewed on her return, but there is no assurance given that it will be. Might there not be a clause—perhaps this is not specifically dealing with these cases, but it might be something for a recommendation—that for a temporary absence over a certain period the pension would automatically be returned or continued during that temporary absence? I believe in the Old Age Pension Act a similar provision is made.

THE WITNESS: General Pearkes very kindly wrote to me a few weeks ago with respect to one particular case. The Act says that pension may be paid during continuance of residence. When the commission is notified that the pensioner has left Canada we have no option other than to comply with the provisions of the Act and we *suspend* pension; that is all. On return to Canada, and when the circumstances are placed before us, we reinstate. A mother went over to Europe eight months ago to visit her son's grave. She wrote to us and we suspended pension. She was away for nearly four months and she returned to Canada. She simply said, "I am back and I would like to have my pension reinstated." Her pension was reinstated from the day she went away. There must be some discretion in this regard because a visit might be one or two or three months or again it might extend for one year or two years. Employment might be taken up. Those are factors the commission takes into consideration. I can assure you there is no intention, nor have we ever deprived anyone of their pension when it was purely a short visit. We pretty well govern ourselves in general by the two or three months' provision that applies in similar legislation.

By Mr. Pearkes:

Q. You say in the case you referred to the pension was reinstated back to the date at which she left Canada, so she received her pension while she was visiting?—A. Yes. Here is the actual case.

Q. We do not need that.—A. I am only going to quote the resolution of the commission at a meeting. "Reinstate supplementary pension as from date of suspension." That is the policy of the commission.

By Mr. Blair:

Q. Suppose some of these veterans went to the United States for purposes of health. Suppose they had an old arthritis or T.B. and still maintained their Canadian citizenship and did not take out citizenship in the United States. To all intents and purposes they are Canadian citizens. When they have to go to the United States for some purpose like that it is more or less a temporary matter. Is it fair to suspend the widow's pension under those conditions?—A. We have no discretion in that regard. If she was down there for a matter of two or three months undergoing treatment those facts are placed before the commission and we would reinstate the pension from the date of suspension, but if she stayed for an indefinite period then we would suspend the pension from the date she left, and it would remain in suspension and probably would have to be cancelled until she returned.

Q. Suppose it was necessary for her to live there. We have people living in Mexico.

The CHAIRMAN: In the case of those who for any reason abandon domicile in Canada there is a statutory provision, and it does not provide for continuation of pension.

Mr. BLAIR: Suppose they do not abandon their domicile. If there was some discretion for the pensions commission in cases like that to allow it it would be of help.

The CHAIRMAN: The committee may decide in their own judgment whether or not there should be some discretion. It is not a question for the chairman of the pension commission. It is a matter of policy, and not one which the chairman may properly be asked to answer.

Mr. PEARKEs: As long as they are Canadian citizens does it matter where they are residing?

The CHAIRMAN: In our discretion we may recommend what should be the policy, but the chairman can only interpret the Act.

The WITNESS: The governing provision in the Act is this. It must be borne in mind these are supplementary awards, supplementing to Canadian rates. The original awards are paid by British or foreign governments. The Act in that case says:—

Only to such persons as are residents of Canada, and during the continuance of their residence therein.

That is our mandate.

The CHAIRMAN: Shall section 10 carry?

Carried.

11. Subsection one of section fifty-two of the said Act as enacted by section twenty-seven of chapter sixty-two of the statutes of 1946, is repealed and the following substituted therefor:—

52. (1) When an application with respect to service in World War I or in peace time is first made to the Commission after the coming into force of the amending Act of 1936, the Commission shall

expeditiously consider such application and shall collect such relevant information, if any, as may be available in the records of any department of the Government of Canada and make, through its medical and other officers, such enquiry as appears advisable into the facts upon which the application is based; if satisfied on the material available, that the applicant is entitled to a pension, the Commission shall then award such pension, and shall take the necessary steps to cause payment of such pension to be made.

The WITNESS: The procedure which governs claims arising out of World War I was finally determined and established in 1936. It provides for a first hearing, second hearing, and then an appeal. All claims arising out of peacetime service between World War I and World War II conform to that same procedure. During World War II, in fact, in the year 1944, the commission considered a revision of that was necessary and a new procedure was established whereby in claims arising out of World War II an initial decision was rendered and as I stated yesterday, an applicant may renew his claim before the commission at any time, and any number of times, before he goes to an appeal. One reason was that with regard to war disabilities it would allow time for latent disabilities to become manifest. That was one reason. There was no pressure to go ahead and get through with his claim to finality.

We have always dealt with peacetime service under the 1936 procedure, first hearing, second hearing and appeal. This is just to amend the Act so that the same procedure will apply for peacetime service, active force service subsequent to World War II.

The CHAIRMAN: Shall the section carry?

Carried.

12. Subsection four of section fifty-eight of the said Act as enacted by section twenty of chapter thirty-two of the statutes of 1939, is repealed and the following substituted therefor:—

(4) An application based upon any error in such decision or in any decision of the Court, *the Federal Appeal Board, the Pension Tribunal or a quorum of the Commission*, by reason of evidence not having been presented or otherwise, may be entertained by the Commission with the leave of an Appeal Board of the Commission, such Appeal Board to be designated by the Chairman of the Commission from time to time for this purpose, and such Appeal Board shall have jurisdiction to grant leave in any case in which it appears proper to grant it.

The WITNESS: This is a broadening of the present legislation. There were three former adjudicating bodies, the federal appeal board, the pension tribunal and a quorum of the commission. There was a restriction in so far as decisions rendered by those bodies are concerned. Veterans' organizations have requested that the Act be so amended to allow these cases to come forward and to enable the commission to consider applications for leave to reopen. There are not very many cases, but it means that the Act is restricted today to a decision of the commission or of the pension appeal court. We now include the three other adjudicating bodies, and we think the proposed amendment is a very fair one.

The CHAIRMAN: Shall the section carry?

Carried.

13. (1) Schedules A and B to the said Act, as amended by sections thirty-one of chapter thirty-eight of the statutes of 1928 and by twenty-three of chapter twenty-three of the statutes of 1941, are repealed and Schedules A and B to this Act are respectively substituted therefor.

(2) This section shall be deemed to have come into force on the first day of October, nineteen hundred and forty-seven.

Section 13 deals with schedules A and B. We have already considered A and B and presented a unanimous resolution with respect to what this committee feels should be done. I am authorized to say, however, that whatever may be the final schedules A and B, that it is proposed to add a third section to this, subsection (3) which, for your information, will read as follows:

That clause 13 of the Bill be amended by adding thereto a new subclause as follows:

(3) An increase in pension paid to any person by virtue of this section in respect of any period prior to the day on which this Act receives Royal Assent shall not be included

(a) as income for the purposes of The War Veterans' Allowance Act, 1946;

(b) as a pension payment for dependents for the purposes of subsection three of section ten of The Veterans Rehabilitation Order; or

(c) as a pension award or an amount received by way of pension for the purposes of the regulations respecting treatment made under The Department of Veterans Affairs Act.

The explanation of the change which the government proposes to introduce at the proper time is briefly this. This amendment to the bill will provide that no over-payments to veterans under other veteran legislation will result from the increase of pensions paid under the new rates in respect of any period prior to the enactment of this bill. We do not want the chap who is getting an allowance under the Veterans Allowance Act and a pension to suddenly find that during the time we have been dealing with this bill he has been over-paid, and that there will be deductions made.

I think we are in the position with respect to this clause that we should carry it. Of course, in our report we will have to indicate those subsections which, in the opinion of the committee, should be amended. If we take the other alternative of not reporting the bill because we did not know conclusively which of our recommendations might be carried the effect might be one which none of us desire, namely, to deny benefits which we are most anxious that all should obtain. We have carried everything but section 8.

Mr. PEARKES: Can we get copies of that amendment?

The CHAIRMAN: It will be in the record.

Mr. PEARKES: We shall not get that for two or three days.

The CHAIRMAN: We shall not get it in the bill until the bill gets back to the House. The members of the committee know that no one but a cabinet minister can amend it. I simply brought it to the attention of the committee in case someone was thinking of that, and to show that provision would be made to offset it.

Hon. Mr. GREGG: You can have copies typed.

The CHAIRMAN: I will be very glad to have them prepared for members of the committee. The clerk will look after that.

When we were discussing section 8 yesterday, that is the date for entitlement, we were dealing with the matter of the widow.

8. That portion of subsection two of section thirty-two of the said Act, as enacted by section twenty of chapter sixty-two of the statutes of 1946, that precedes paragraph (a) thereof is repealed and the following substituted therefor:—

(2) Subject as in this Act otherwise provided, the widow of a member of the forces who was at the time of his death in receipt

of a pension in any of the classes one to eleven, inclusive, mentioned in Schedule A to this Act or who died while on the strength of the department for treatment and but for his death would have been in receipt of pension in one of the said classes, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not,

When we were discussing that clause yesterday one of the members of the committee raised the question as to whether or not it might be the desire of the committee to extend the classes where this automatic provision now exists, and proposed to move an amendment to that effect. As chairman I had to rule such an amendment would involve additional expenditure and did not lie within the powers conferred on this committee by our terms of reference. Mr. Fulton then withdrew his amendment, or did not propose it, in view of that opinion. I then suggested that the section stand until the committee might have further information. I pointed out that it was within the power of the committee, of course in our final report to recommend that it was or was not our view that this question should be further examined by the council with a view to broadening it. Is it the desire of the committee to debate that question, or shall we carry the section and make that discussion a part of the general discussion on the Pension Act upon which we will enter as soon as we have finished the bill?

Mr. HARRIS: I think that is the only way because whatever comes out of our discussion will be in the form of a recommendation along with a number of other recommendations we may make.

The CHAIRMAN: Then shall section 8 carry?

Carried.

Shall the preamble carry?

Carried.

Shall the title carry?

Carried.

Mr. BROOKS: All these are carried subject to our right to make recommendations.

The CHAIRMAN: Yes. Shall the bill carry?

Mr. VIAU: Where is the preamble?

The CHAIRMAN: There is no preamble. There is the title and the short title. It is carried, anyway, with respect to procedure it was the opinion of the steering committee at our last meeting that we should dispose of the bill as it now stands, which we have now done. We have already made a recommendation to the government respecting helplessness allowance. We have been told that request has been granted. We have made a recommendation to the government with respect to schedules A and B, and we have not been told yet as to that. We have also made a recommendation with respect to the principle of rank in pensions, and suggested an amendment to that. All of those resolutions have been forwarded for consideration. It is now the procedure for the committee to discuss the various questions, notice of which has been given. I think I should point out that there are a limited number of problems in connection with the pensions bill which have been recommended for our consideration by organized veterans' bodies. There have been one or two specific matters which members of the committee themselves have raised in our general discussions as questions which they desire the committee to deal with. It is perfectly obvious that at this point we could begin almost a clause by clause consideration of the whole Pension Act, which I know is not the intention.

I have before me three or four questions which have been raised by members of the committee. We have been getting some information with respect to them. I propose that we shall deal with those questions which are already before us in some degree.

One of the questions which was raised, in the first instance I think by Mr. Quelch, and nearly everybody in the committee has expressed opinions on it, was the question of stabilization of pensions of World War I. I asked that some consideration be given by the department to what is involved in that, and with the consent of the committee I will ask Brigadier Melville at this point to give us the information which is available to him. At the conclusion of the discussion I will be very happy to entertain a resolution or motion or whatever is required to express the will of the committee.

Mr. BROOKS: May I suggest that we have the recommendations and resolutions from the Legion and also from the National Council.

The CHAIRMAN: They are on file.

Mr. BROOKS: I wonder if we could take those and discuss them, and then later on add any that we might wish ourselves. We will be skipping around from one thing to another. If we have something definite to discuss it will save more time.

Mr. JUTRAS: Has the steering committee considered that angle of it? Would it not be a good idea to have the steering committee go over what has been said, the points that have been raised, and have them draft a program?

The CHAIRMAN: The steering committee did that when we met last. I pointed out there were these questions which had been raised in the Legion brief, and I believe in this order. The first was stabilization; the second one was increase for age; the third was 11 (c); the fourth was fractional assessment and the fifth was section 26.

Mr. BROOKS: Are you going to take the Legion brief and discuss it?

The CHAIRMAN: I am in the hands of the committee. Stabilization was first in order. It was the first one which was raised by members of the committee. I am in your hands entirely. You all have the Legion's brief. You know what their recommendation was in general terms with respect to stabilization. It can be read again. Anyone is perfectly free to speak to it.

Mr. JUTRAS: Did you mention section 11 (c)?

The CHAIRMAN: Yes.

Mr. QUELCH: The recommendation of the Legion was to the effect that notwithstanding anything contained in the Pension Act the revision of pensions of veterans of World War I shall be upward only. That was the effect of the recommendation. When this matter came before the committee once before I raised the question as to whether or not that might have an adverse effect upon increases in pensions to veterans who had received hospitalization. I understood there were cases where veterans were given hospitalization and then for a short period of time they were granted an increase in pension. If all pensions were stabilized, and the only change that might be made would be upwards, then it might mean that the pension commission might hesitate to grant a temporary increase in pension because then that would become the permanent pension. Therefore I suggested that rather than saying notwithstanding anything contained in the Pension Act revision of pensions of veterans of World War I shall be upwards only it might be better to suggest that the committee recommend that where a disability pension has been paid to a veteran of World War I for a period of two years or more that pension would not be reduced. I would make that suggestion if we are absolutely certain that placing a floor under all pensions might actually encourage the pension commission not to make tempor-

any increases in pension in the future. I think we should hear from Brigadier Melville as to whether or not placing a floor under all pensions might be harmful to a pensioner receiving hospitalization.

By The Chairman:

Q. Having that in mind I asked Brigadier Melville if he would give the picture of what the situation is in order that the committee—the committee seem to be pretty well agreed that something should be done about it—but I want to know what can be done about it.—A. I am glad to start by saying that placing a floor under World War I pensions would, in no way whatsoever, deter or hinder the Canadian Pension Commission, in any way, in raising the assessment, if there were an increase of pensionable disability.

By Mr. Quelch:

Q. Would it deter them from making a temporary increase?—A. No. We assess in accordance with the degree of pensionable disability found upon examination, and we would do so.

Might I take this opportunity to state exactly what has taken place. There has been a great deal of misunderstanding, very unfortunate misunderstanding, through the tragedy which occurred in Ottawa last October.

The commission has had no opportunity—not to make a defence, but to explain—and I am very, very glad indeed that that opportunity was sought, first of all by the Legion in their presentation to this committee, and secondly, that it was brought up by members of the committee; and because of this I am very anxious indeed that the commission should place before this committee the definite information as to the policy which has been in effect, a very definite policy, with respect to all disability pensioners of World War I.

That policy was established on a very firm basis in 1936, and I will quote, in brief, from the instructions issued at that time:

Generally speaking, it is the intention of the commission that, in the future, periodical examinations should be eliminated except in those cases where there is a substantial probability that there has been an increase in the disability, and that, therefore, the soldier might be entitled to more pension as a result of a further examination. In other words, we propose to treat our present pension list as more or less permanent in character.

What we want to accomplish is to give the soldier some assurance of the permanency of his pension.

Now, let me give you some details as to the application of that general policy.

The commission thinks we would be doing the soldier no injustice if we did not call him in for examination except on complaint, and that, if prompt attention is paid to complaints and reasonable action taken on them, there will be no substantial objection from the pensioners. In this connection the commission thinks it might make the following suggestions with reference to certain individual cases, but not in the way of interfering in any sense with the medical examiner's discretion:

(1) Gunshot wound cases should be permanent except in cases in which there is still a discharging sinus from any recent breakdown or operation.

(2) Pensions for all diseases should be considered generally as permanent, and the pensioner should not be called in for further examination except in cases of complaints or discharge from hospital following treatment.

(3) In cases of high disability pensioners, but not total disability, who are pensioned for such progressive conditions as Diabetes, Nephritis,

Cardio-vascular diseases, advanced bronchial conditions, other than tuberculosis and advanced generalized Arthritis, the Pension Medical Examiner should call in for examination only those cases in which he would expect the condition to have progressed since the last examination.

(4) Cases of Pulmonary Tuberculosis, who have been in receipt of pension at the rate of 100 per cent for two years following activity during treatment with minimum lesions, should be examined at the end of the two-year period, and periodically thereafter as the Medical Examiner may decide.

(5) Where the assessments for diseases are small or moderate and they have remained more or less stationary for the previous examination or two, they should always be considered as permanent and not be brought in for further examination except upon complaint.

And it closes with this observation:

The Commission feels that the above will afford to our Pension Medical Examiners ample time to give more consideration and, perhaps, better service to the real problem cases, and will be able to give more assistance than in the past to cases which really require it.

Gentlemen, that policy of the commission as so stated was set out in February of 1936. It has been religiously followed since that time. I shall, in fairness, make this observation though, that world war II placed a tremendous burden upon the commission, more particularly so with the impact of demobilization; and we had to build up staff.

In many offices such as Victoria, Edmonton, Calgary, Regina, Saskatoon, Winnipeg, North Bay, London, Kingston, Quebec, and Saint John there is not one pension medical examiner in any of those district offices which I have mentioned who was there at the outbreak of world war II. In other words, they did not have the experience and we have had to train them. We have had the benefit of former medical examiners who have served this commission faithfully and well.

Now it is possible that the policy which I have just read, and which has been in effect since 1936, was not thoroughly familiar to all of those pension medical examiners, the new ones; but it has been reissued to them and has been brought forcibly to their attention and we have instituted every avenue of protection.

Now I shall quote some figures. Figures sometimes distort the picture. As a matter of fact, I listened to so very many figures here that I had a certain amount of difficulty myself, but I shall quote some figures to make it more clear, and I have put them in percentages because I think it tells the story, and it is for world war I.

On the 31st day of December, 1947, there were 69,736 disability pension awards in payment. During the year 1947, 64,402 awards were continued without change. The commission did not disturb the pensioner, nor did that pensioner get in touch with the commission or with the commission's representative and ask for re-examination. That represents 92.35 of the total I have given.

2,913 pensioners were re-examined, either upon complaint or on discharge from the treatment strength and their awards were continued without change. That represents 4.18 of the total I have given.

2,276 pensioners during that same year had their awards of pension increased and that represents 3.26 of the total I have given. And the sum total of the last three percentages I have given amounts to 99.79 per cent.

During the whole of the calendar year of 1947, 147 pensions were decreased, which represents .21 of all the disability pensions in force, or 1/5 of one per cent. I am not speaking with heat, but I am speaking with sincerity. Remarks have been passed which hurt the commission a great deal, statements in the press, because there has been misunderstanding; I say that to the press with

sympathy because they are a very understanding body, but the commission has never had an opportunity to make this presentation or to bring these facts before you. But this is the state of affairs: 21 per cent were decreased during that year, and remember that during that same year, nearly double the number, or nearly so, 279 new awards were made.

We must carry out our obligations under the Act. We must re-examine. I remember many of the cases, but one of the awards was a man who claimed in respect to varicose veins. We found a notation on a medical board dated in 1915 with respect to varicose veins so this man got what he wanted. He was admitted to hospital. Prior to that time we had examined him and assessed pension of 15 per cent. He went into the hospital and was operated upon and the varicose veins were excised, or ligated, and we continued the pension, upon his discharge from treatment, of 15 per cent. Then about six months later, we brought him in to make sure that he had benefitted from the treatment which he had received and was properly compensated, but we did cut his pension from 15 per cent down to 10 per cent because he had very little remaining disability. That is one of the cases that I speak about.

With respect to the suggestion that something be done, I would say this, again in great sincerity, that I am delighted that this discussion has taken place and I would suggest this—Mr. Quelch has made a suggestion, so maybe the members won't mind if I make one—that the committee, as a result of their study, recommend to the commission that where a world war I pensioner reaches the age of 55 years or more—and I advise that the average age today is practically 60, no reduction in the assessment be made provided such assessment has been in effect five years or more.

Someone said that stabilization was not absolute, it is nearly so. Now, I speak with absolute knowledge as to what happens in every office in this country, and I say that would be very, very fair treatment and would establish something which the commission would be glad to have.

By Mr. Brooks:

Q. Why do you say five years? Can you tell us what number of cases have been pensioned during the last five years so we might know those which would not come under that recommendation before us?—A. The reason for five years is that there is in section 5 of the Act a provision whereby—where a pension has been in payment for five years, and it is found that such payment has been in error, not on account of fraud on the part of the pensioner, that we may continue the award, and there is a basis for the five years. I do not think it is hurtful. I just advance it, because the 55 years that I speak about is also part of our administrative procedure, and five years is a provision in the Act today. I do not think it is in any way detrimental.

By The Chairman:

Q. Would this protect the situation you mentioned with respect to tubercular trouble?—A. Very definitely so. If a pensioner has active tubercular trouble and is admitted to a hospital, he receives on discharge 100 per cent pension; and that is continued unchanged for two years and he may be re-examined and reduced to eighty but it cannot be reduced below eighty then and at no time can it be reduced below fifty.

By Mr. Pearkes:

Q. Why limit it to world war I pensioners? If a pensioner of world war II has reached the age of 55 and has been in receipt of a pension for five years, should he not have his pension stabilized too?—A. Well, we have many veterans who served in world war II who also served in world war I and I would say that they would come under this very generous blanket insurance policy that has been set forward.

By the Chairman:

Q. It is a question of age; could there be anybody of 55 years who did not serve?

Mr. HARRIS: A man might be pensioned for serving in world war II, although he fought in world war I.

Mr. PEARKES: It would save you having to change the legislation all the time.

By Mr. Harris:

Q. Do we actually want to do that?—A. We have always benefited by experience through time. The history of pension legislation, ever since the Pension Act was enacted in 1919, is a joy to read. And I suggest that all these benefits which have accrued through the years, through experience, through parliamentary committees, royal commissions, and through the national organizations of ex-service men—that they are incorporated in the Act; and I do not know of anything detrimental to the best interests of world war II men at the moment. I believe that the day for stabilization will come for them and when that day does come it should be applied, but I do not think that day has arrived yet.

By Mr. Pearkes:

Q. You have pinned it down to world war I. Would it not be payable to the veterans of the South African war? They will be 55 or more.—A. The veteran of the South African war is paid by the British government, and their rates are supplemented to the Canadian rates. I assure you that there are no unfair comparisons in what I have advanced.

Mr. QUELCH: It is not really necessary to specify any war if you set the age limit at 55.

By Mr. Bentley:

Q. As I understand Brigadier Melville's recommendation it is that all those from world war I who have reached the age of 55 years, who have been in receipt of a pension for 5 years or more will never have any downward revision in their pension?—A. That is right.

Q. But supposing a veteran of world war I or of world war II discovered he had a disability resulting from service in world war II and came in, at the age of 57, for examination, and a pension was granted. Would he have to continue for five years on that before he would come under stabilization? Or would he automatically come under it immediately he went on pension?—A. That is very hard, because he might incur this disability in world war II. We might grant an entitlement for hernia and he would go into hospital and be operated on and the disability is removed.

We are faced with a problem of what to do in the way of assessment. I suggest that there are problems here, but this committee will be meeting again, and we are just putting something in here as a suggestion. You will have time to determine the practical application of it. We have so many variations in assessment with respect to world war II today.

The CHAIRMAN: I come back again to this, in my own thinking. I am trying to direct the committee, but I am one of those who have felt that something, in relation to this matter, was desirable, not because of the financial implications of it, but because of the sense of security which it brings to the old veterans, to the veterans who have reached the age of 55 or 57 years.

In such a case, the pension which such a man receives must have become a very substantial part of his estate, if the pension is in excess of class I or class II, and that pension rests on the capitalization of a sum of money which most of

them could never have hoped to earn. So it gives him a sense of security for his dependents. And organized bodies of veterans, in bringing this bill before us, have dealt solely with the veterans of world war I.

I do not think there is any finality in questions of pensions at any time, and our experience has shown that. I think that if the committee finds, formally, that it is acceptable to us as conferring a benefit on those who certainly have the greatest need, then we have made a substantial advance at this time and we have gone as far as we have been formally asked to go. If we can do that, I do not think the committee or anybody in the committee ever thinks that what we can do for the veterans is too much, but we must not get ourselves in the position of, because we have a good thing, trying to stretch that thing on a competitive basis. I do not think anybody wants to.

We have the Legion brief, page 3—stabilization of pensions for world war veterans. The Legion itself has been, I think, the greatest agent for the advancement of veterans generally that Canada has had, and they have been great proponents of the doctrine of one step at a time. We sometimes thought in those days that we had satisfied all their demands, but they always came back again.

Mr. HERRIDGE: I listened to what Mr. Melville had to say and personally at this time I think the proposal he made carries out in principle the wishes of the Legion. The Legion is trying to give a sense of security to a man who has been receiving a certain pension over a long period of years so that in his later years he is not faced with the matter of a possible reduction. I think the chairman's proposal does that; it gives that sense of security to the group of men intended by the Legion in their recommendation.

The WITNESS: 99·7 per cent of the veterans of World War I have that security.

Mr. HARRIS: We will not be deciding this today, but I think I can assure the chairman of the commission that the recommendation will be well received in one form or another. I am still concerned about what Mr. Quelch had to say. The chairman did admit that in bygone years the apprehension of the public was that the commission had taken into account these tremendous sums of money which had to be granted for back pension, and there has been a change in outlook. I am not saying that is true, but the public got that impression and the parliamentary committee got that impression. One cannot be blamed if he felt that perhaps that thought was in Mr. Quelch's mind and would also take root in the pension commission's mind at the same time. I wonder if the pension commissioner could give us a little more critical examination of Mr. Quelch's suggestion; that if the temporary pensions are involved they will not be the subject of worry on the part of the commission in stabilizing the pensions.

Mr. QUELCH: If Mr. Melville is quite certain it will not affect the payment of the temporary pensions, rather than put that five-year limit in there would it not be possible to say, subject to section 5, that the five-year limit will not apply to anybody except those under section 5 where the pension has been paid in error?

The WITNESS: I do not quite agree, Mr. Quelch. We are dealing with assessment, the whole question before us is that of assessment. When you come to section 5 you are dealing with entitlement, and that is entitlement to pension, which is a different question.

Mr. QUELCH: You gave that as a reason for putting the five-year period in there.

The WITNESS: There was a five-year term in the Act in connection not necessarily with the same subject but one indirectly related thereto; that is all. With regard to Mr. Harris' remark, I can assure Mr. Harris and Mr. Quelch—

Mr. HARRIS: I am not entirely satisfied yet about the business because the five-year limit does seem unnecessary at first blush. I think Mr. Quelch's

idea here is sound. I have been reading over the matter and there is one other matter too that has to do with the number that Mr. Brooks asked for of those pensions that have been granted within the past five years. I think you said the number was 147 granted last year?

The WITNESS: 279.

Mr. HARRIS: I had the wrong figure.

The WITNESS: 191 new awards and 88 reinstated on pension. They had no disability, but they were reinstated on pension, making a total of 279 in 1947.

Mr. HARRIS: Roughly, you would have 1,000 pensioners eliminated by your suggestion, probably.

The WITNESS: Oh, no—

Mr. HARRIS: Assuming they are all over fifty-five years of age.

The WITNESS: I do not see any possibility whatsoever of elimination.

Mr. HARRIS: I mean elimination from the recommendation by the change you make in the five-year term. If you granted two hundred odd new pensions to veterans of World War I last year, if the average age is over fifty-five, as you say, I am assuming that most of them are over fifty-five; therefore, in the past five years you would have granted approximately 1,000 awards, and those people would not get the benefit of the stabilization.

Hon. Mr. GREGG: May I ask a question? Let us take the case of a man who is fifty-three today and he has not had any pension. He has always had a sneaking notion that he should have one. If it were a straight fifty-five without any cushion, your thought, I think, was that a good many of them might feel that they could get into your hospitals, get a quick pension and be frozen at age fifty-five; is that right? You wanted a period in which to observe. So, if this man at age fifty-five, never having received a pension, comes in and proves that he is over his fifty-fifth birthday, after fifty-eight he would be automatically frozen there. Is that what you intended on your five-year cushion?

The WITNESS: Yes, that is what I have in mind; because we have so much before us that we cannot re-examine a man every few months. Usually we examine him in one year or two years or three years. That has the effect of the pensioner knowing that he is not going to be disturbed during the period, for one thing, and he also knows that if he has an increase in his disability or feels that he has, all he has to do is to come to us and we are his friends at court.

Mr. HARRIS: I want to follow this up. At age fifty-five you will likely re-examine him and then could you give us the figures of new awards for last year?

The WITNESS: Quite a number of new awards made last year would be marked A.P. (apparently permanent), if we are satisfied that the man has a fixed disability—A man with varicose veins—we would mark the initial award for re-examination in one year or in two years, to protect his best interests. It depends upon progression, but our re-examination is not for purposes of deduction; it is for purposes of proper assessment. I say that emphatically.

The CHAIRMAN: Gentlemen, it is almost time to adjourn. I should like before we adjourn to inquire as to the will of the committee with respect to certain things. I assume you will follow the original order; that is the order of the briefs in dealing with these matters. We are now on stabilization; then there is the question of increase for age, 11 (c), fractional assessment; and section 26. Shall we continue with those matters until we dispose of them?

Mr. BROOKS: I was going to make a suggestion with regard to section 11 (c). I do not know whether the other members of the committee feel that they have

had all the evidence they need on that account or whether they would like to hear more evidence; but I suggest that the Veterans' Bureau has had a lot to do with these cases and frankly, I think they could give evidence to this committee that probably would help us considerably in our deliberations. Might I suggest that we have some evidence from the Veterans' Bureau in connection with 11 (c) and possibly some of the other matters?

The CHAIRMAN: With respect to that, of course, the chair is in the hands of the committee; but I thought it would be the desire of the committee to have the chief advocator present—as a matter of fact he has attended all our meetings—and it was my intention to request him to attend these discussions in order that the members of the committee might have the opportunity to question him with respect to administration—

Mr. BROOKS: Or any other member.

The CHAIRMAN: Yes, he can bring any advisers he wishes. We do not restrict the officers of the government as to what advisers they shall have. This is subject, of course, to the usual provision that we realize that these men are public servants and that we question them as to administration rather than as to policy.

Has anyone else any suggestions to make? We will be going on with stabilization on Tuesday, followed by increase for age, and later we will be going on with 11 (c).

There is one other point I would like to bring up. When the steering committee met shortly after I assumed the chair they decided that we should sit three days a week and those days were fixed as Tuesday, Thursday and Friday. The suggestion has been made by some members of the committee that we have not concluded our first order of reference yet and that next week we might begin sitting four sessions a week. I know that is a heavy program and that many of you have other committees to attend, but those other committees will get heavier as time goes on. What would you think of sitting Tuesdays and Thursdays, morning and afternoon, or Mondays and Thursdays, whichever would be most convenient? We have leave to sit while the House is in session. I am afraid if we do not do that May will come and we will be sitting three times a day.

Mr. JUTRAS: Is it your suggestion that we sit five times a week?

The CHAIRMAN: No; that we drop the Friday sitting.

Mr. HARRIS: We have been getting a good representation on Friday and I think it might be desirable not to reject the Friday sitting for the time being.

Mr. VIAU: Some of us are members of the Industrial Relations Committee, which sits on Tuesdays and Thursdays.

Mr. SKEY: The Industrial Relations Committee overlaps this completely, and any change would be beneficial.

The CHAIRMAN: We have gone into the matter wholly. Unfortunately, you gentlemen have achieved altogether too much prominence in your responsibilities and your services are in too much demand. I know that members will have other committees which they must attend. However, I am in your hands. Do you want to sit twice Tuesdays and Fridays?

Mr. BENTLEY: What would be wrong with sitting twice on Mondays and Fridays?

The CHAIRMAN: We did that in 1946 and there was some difficulty about it. It does not apply to you and myself, but Mondays and Fridays are difficult days for some members of the committee and if we selected both days I do not know what would happen.

Mr. PEARKES: Friday is a very good day. Monday is a busy day because we all have so much mail.

Mr. BENTLEY: It may not be a convenient day for some members to be here, but the business in the House is usually lighter than it is on Tuesday, Wednesday and Thursday. I think members of the committee should be willing to give up other things just as you and I are.

The CHAIRMAN: Shall I leave the matter this way: I will see the whips and the head of the committee branch, and if it is possible we will try this out next week on Monday and Friday.

Mr. BROOKS: I do not agree with sitting on Monday and Friday. Friday is all right, but Monday is not a good day. I know quite a few members who would like to be here will not be here on Monday morning. I have no objection to sitting on Tuesday and Thursday with two sittings.

Mr. BENTLEY: I move the committee meet four times a week, Monday afternoon, Tuesday morning and twice on Friday.

The CHAIRMAN: I think the best thing to do is to leave the question in the hands of the steering committee and I will ask the steering committee to meet immediately.

The committee adjourned.

30.4.48

APPENDIX "A"

SUMMARY OF APPEAL BOARD CASES SHOWING POINT AT WHICH
HEARD DURING YEAR 1947—CANADA

	Total for Province	Total at Hearing	Number of Sessions	Number of Days
PRINCE EDWARD ISLAND.....	16			
Charlottetown.....	..	16	2	2
NOVA SCOTIA.....	44			
Halifax.....	..	44	2	8
NEW BRUNSWICK.....	74			
Moncton.....	..	10	1	2
Fredericton.....	..	19	1	5
St. John.....	..	45	1	6
QUEBEC.....	317			
Montreal.....	..	187	7	35
Quebec.....	..	60	1	5
Chicoutimi.....	..	18	1	3
Riv. du Loup.....	..	12	1	2
Rimouski.....	..	17	1	3
Matapedia.....	..	6	1	1
Perce.....	..	17	1	3
ONTARIO.....	646			
Ottawa.....	..	84	10	15
Kingston.....	..	10	1	3
North Bay.....	..	26	1	4
Toronto.....	..	261	6	43
Hamilton.....	..	50	2	10
London.....	..	108	5	19
Kitchener-Guelph.....	..	31	3	7
Stratford.....	..	16	1	3
Windsor.....	..	60	3	10
MANITOBA.....	81			
Fort William.....	..	10	1	1
Winnipeg.....	..	71	2	12
SASKATCHEWAN.....	107			
Regina.....	..	56	2	9
Saskatoon.....	..	36	2	6
Prince Albert.....	..	15	2	4
ALBERTA.....	88			
Edmonton.....	..	55	2	8
Calgary.....	..	33	2	7
BRITISH COLUMBIA.....	150			
Vancouver.....	..	113	2	18
Victoria.....	..	37	2	7

TOTALS

Sessions.....	71
Days.....	263
Cases heard.....	1,523

16.3.48

RECAPITULATION OF CASES HEARD BY APPEAL BOARD 1947

PRINCE EDWARD ISLAND.....	16
NOVA SCOTIA.....	44
NEW BRUNSWICK.....	74
QUEBEC.....	317
ONTARIO.....	646
MANITOBA.....	81
SASKATCHEWAN.....	107
ALBERTA.....	88
BRITISH COLUMBIA.....	150
Total.....	1,523

Active Force cases.....	1,050	{ 481 Favourable 569 Un-favourable
Canadian Ex. Force.....	201	{ 58 Favourable 143 Un-favourable
Cases other than straight entitlement (Sec. 5(1), Sec. 7(3) and Sec. 39.	92	{ 30 Favourable 62 Un-favourable (Col. Brooks enquiry)
Withdrawn.....	124	(for more evidence usually at suggestion of Comm. and sometimes advocate.)
Struck off.....	56	(lack of appearance, new condition.)
	1,523	

APPLICATIONS FOR APPEAL BOARD HEARING RECEIVED IN 1947:

Active Force.....	1,107
C.E.F.....	205
	1,312 + carry over from 1946

30-4-48.

ITINERARY COVERING SESSIONS OF
APPEAL BOARDS OF THE CANADIAN PENSION COMMISSION

Place of hearing	Date of hearing	Commissioners constituting the Board
SASKATCHEWAN		
Prince Albert.....	Mon. Apr. 26th.....	H. A. Bridges, M.A. (Oxon) R. J. Gordon, M.D., D.P.H., F.A.C.P. N. L. Pickersgill, V.D.
Saskatoon.....	Tues. Apr. 27th—Thurs. Apr. 29th.....	N. L. Pickersgill, V.D.
Regina.....	Fri. Apr. 30th and Mon. May 3rd.....	N. L. Pickersgill, V.D.
MANITOBA		
Winnipeg.....	Tues. <i>May 4th</i> —Fri. <i>May 7th</i> ,..... Mon. <i>May 10th</i> —Fri. <i>May 14th</i>	H. A. Bridges, M.A. (Oxon) R. J. Gordon, M.D., D.P.H., F.A.C.P. N. L. Pickersgill, V.D.
Fort William.....	Mon. <i>May 17th</i> and Tues. <i>May 18th</i> Wed. <i>May 19th</i>	N. L. Pickersgill, V.D. N. L. Pickersgill, V.D.
QUEBEC		
Quebec.....	Mon. <i>May 10th</i> —Fri. <i>May 14th</i>	C. B. Reilly, K.C. B. Langelier, M.C. F. F. Chute, B.A., M.D., C.M.
Montreal.....	Tues. <i>May 25th</i> —Fri. <i>May 28th</i>	C. B. Reilly, K.C. B. Langelier, M.C. F. F. Chute, B.A., M.D., C.M. G. E. Leprohon, A.P.A.
ONTARIO		
Windsor.....	Tues. <i>May 25th</i> —Thurs. <i>May 27th</i>	Harry Bray, Esq. J. M. Forman, D.F.C. C. M. Keillor, M.D.
Chatham.....	Fri. <i>May 28th</i>	C. M. Keillor, M.D.
London.....	Mon. <i>May 31st</i> —Thurs. <i>June 3rd</i>	C. M. Keillor, M.D.
Stratford.....	Fri. <i>June 4th</i>	C. M. Keillor, M.D.
Toronto.....	Mon. <i>May 31st</i> —Fri. <i>June 4th</i> Tues. <i>June 8th</i> —Fri. <i>June 11th</i>	J. K. Matheson, M.C. H. A. Bridges, M.A. (Oxon) R. J. Gordon, M.D., D.P.H., F.A.C.P.
Hamilton.....	Tues. <i>June 8th</i> —Fri. <i>June 11th</i>	Harry Bray, Esq., J. M. Forman, D.F.C. C. M. Keillor, M.D.
NEW BRUNSWICK		
Saint John.....	Mon. <i>June 14th</i> —Fri. <i>June 18th</i> Mon. <i>June 21st</i> —Thurs. <i>June 24th</i>	B. Langelier, M.C. F. F. Chute, B.A., M.D., C.M. N. L. Pickersgill, V.D.
NOVA SCOTIA		
Halifax.....	Mon. <i>June 14th</i> —Fri. <i>June 18th</i> Mon. <i>June 21st</i> and Tues. <i>June 22nd</i>	H. A. Bridges, M.A. (Oxon) R. J. Gordon, M.D., D.P.H., F.A.C.P. J. M. Forman, D.F.C.
PRINCE EDWARD ISLAND		
Charlottetown.....	Thurs. <i>June 24th</i> and Fri. <i>June 25th</i>	H. A. Bridges, M.A. (Oxon) R. J. Gordon, M.D., D.P.H., F.A.C.P. J. M. Forman, D.F.C.
QUEBEC		
Sherbrooke.....	Fri. <i>June 25th</i>	C. B. Reilly, K.C. B. Langelier, M.C. F. F. Chute, B.A., M.D., C.M.
Montreal.....	Mon. <i>June 28th</i> —Wed. <i>June 30th</i>	F. F. Chute, B.A., M.D., C.M.

CASES READY FOR HEARING AS AT 30.4.48 ALL POINTS

St. John.....	6	
Lower St. Lawrence.....	14	Arranging special Board
Montreal.....	29	
Kingston.....	6	
North Bay.....	9	
Toronto.....	61	
Hamilton.....	12	
Guelph	}	
Stratford		
Windsor		
Winnipeg.....	9	
Regina.....	9	
Prince Albert.....	1	
Edmonton.....	9	
Calgary.....	12	
Vancouver.....	36	
Victoria.....	9	
Penticton.....	1	
Kamloops.....	1	
Total.....	242	

NOTE:—These figures represent the number of cases which are not included in sessions presently set.

APPENDIX "B"

WORLD WAR II

Disability Pension Awards as at 30th September, 1947

Awards in payment		80,186
Favourable decisions rendered	130,752	
Service in Canada	26,787	
Service in theatre of war	103,965	
	<u>130,752</u>	

NOTE:—In a number of cases entitlement is conceded for more than one condition, therefore the actual number of disability pensioners, 80,186, is practically 60% of the number of favourable decisions rendered.

An analysis of the figures giving the basis of entitlement follows:—

SERVICE IN CANADA

Decisions granting full entitlement	19,913	
Decisions granting entitlement for a pre-enlistment condition and pensionable for the degree of aggravation	6,874	
Total decisions	<u>26,787</u>	

These represent about 16,500 pensioners, being approximately 60% of that total.

SERVICE IN A THEATRE OF WAR

Decisions granting full entitlement	90,832	
<i>Decisions under section 11 (1) (c) for disabilities ruled by the Commission as of pre-enlistment origin.</i>		
Decisions granting entitlement with <i>no</i> deduction	3,165	
Decisions ruled wilfully concealed	3,515	
Decisions ruled as obvious	788	
Decisions ruled as recorded	5,665	
Total decisions	<u>103,965</u>	

This represents about 63,500 pensioners, being approximately 60% of that total. It follows that in the case of approximately 2,100 pensioners the Commission has ruled a condition to be pre-enlistment, wilfully concealed and pensioned for the degree of service aggravation.

During the calendar year 1947 the Commission rendered approximately 306 decisions that the condition claimed for was wilfully and deliberately concealed. During that same period 21,463 favourable initial decisions were rendered and these covered 31,364 disabilities.

J. L. Melville,
Chairman.

Gov. Doc Canada Veterans Affairs
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1947/48
SESSION 1947-1948
HOUSE OF COMMONS
SPECIAL COMMITTEE

ON
VETERANS AFFAIRS
1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE
No. 14

TUESDAY, MAY 4, 1948

WITNESSES:

- Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission;
- Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pensions Advocate, Department of Veterans Affairs;
- Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.



TUESDAY, 4th May, 1948.

Ordered,—That the name of Mr. Baker be substituted for that of Mr. Tremblay on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

MINUTES OF PROCEEDINGS

TUESDAY, May 4, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Cruickshank, Dickey, Emmerson, Gauthier (*Portneuf*), Gregg, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Marshall, Mutch, Pearkes, Quelch, Timmins, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pension Advocate, Department of Veterans Affairs; Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the British Empire Service League.

Mr. Melville was recalled and furnished the Committee with certain information requested by Mr. Lennard on April 29, and was questioned.

The Committee resumed consideration of the recommendation of the Canadian Legion respecting stabilization of World War I pensions.

On motion of Mr. Quelch:

Resolved,—That the Committee recommend that in respect of World War I pension claims, no reduction in the assessment of disability shall be made, providing such assessment has been in effect for three years or more.

After discussion, and the question having been put, it was unanimously resolved in the affirmative.

Mr. Herwig was recalled and questioned.

Mr. Melville presented a statement respecting subsections 4 and 5 of section 20 of the Pension Act.

Mr. White moved:—

That the Committee recommend that the Government consider the advisability of introducing an amendment to Bill 126, An Act to amend the Pension Act, to provide that section 11 (1) (c) of the Pension Act be amended by striking out all the words after the word *forces* in line twelve thereof and substituting therefor the words *was obvious on enlistment*.

Discussion followed.

At 1.00 o'clock p.m. the Committee adjourned until 4.00 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 4.00 o'clock p.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Bentley, Blair, Blanchette, Brooks, Cruickshank, Dickey, Emmerson, Gauthier (*Portneuf*), Gregg, Herridge, Isnor, Jutras, Lennard, McKay, Marshall, Mutch, Pearkes, Quelch, Skey, Timmins, White (*Hastings-Peterborough*), Wright.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pension Advocate, Department of Veterans Affairs.

The Committee resumed consideration of Mr. White's motion.

Examination of Mr. Melville was continued.

And the question having been put on Mr. White's motion, it was resolved in the affirmative.

Mr. Cruickshank moved that the Committee recommend that the Pension Act be amended to provide that fractional assessments be determined on progressions of 5%, except where the disability is less than 5%.

After discussion, and the question having been put, it was unanimously resolved in the affirmative.

Mr. Cruickshank moved that the Committee recommend that the Pension Act be amended to eliminate the marriage deadline of May 1, 1944, affecting widows, wives and children of pensioners of the First Great War.

After discussion, and the question having been put, it was resolved in the affirmative.

At 5.45 o'clock p.m. the Committee adjourned until Thursday, May 6, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 4, 1948.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, with the notices which we sent out calling this meeting we enclosed also a note asking how many of the members would like, tomorrow morning, to take a look at this "super-duper" ordnance depot. It was thought that you might like to see it. Transportation has been arranged and you can bring friends up the number of thirty-five. Now, could I receive a showing of hands with regard to those who intend to go?

Now, the chairman of the Pensions Commission has some information which he wishes to give in answer to a question asked by Mr. Lennard.

Brigadier J. L. Melville, Chairman, Canadian Pension Commission, called:

The WITNESS: Mr. Chairman and gentlemen, on the 29th of April Mr. Lennard said he would like to have some additional information regarding commission policy with regard to adopted children. I shall be glad to give the information now so that he and other members of the committee may have an opportunity to study that matter:

REPLY TO MR. LENNARD'S INQUIRY OF 29th APRIL, 1948

Schedule A of the Pension Act provides for an award of additional pension for wives and children and section 22 deals with awards on behalf of children. Sub-section 3 of this section provides that no pension shall be paid to or in respect of a child unless such child was acknowledged and maintained by a member of the forces at the time of the appearance of the injury or disease which caused the disability but subject to the proviso a legitimate child born subsequent to the appearance of such injury or disease shall be entitled to pension.

This is the governing section and when an original application is made both the pensioner's children and any children whom he may have previously adopted and whom he maintained prior to the appearance of the disability are awarded additional pension. Children adopted subsequent to the appearance of the disability, however, are not generally awarded additional pension by the commission by reason of the fact that such awards are precluded by the provisions of the section in question.

Section 22-4 allows the commission discretion to make an award in respect of any child entitled in the opinion of the commission to be maintained by the pensioner. Although this section clothes the commission with the discretion to make an award such section is used only sparingly where the circumstances are such that in the opinion of the commission an award should be made and there is no other provision under which an award could be authorized. The section has been used in cases where a pensioner

has been married for a number of years and it is established that through physical incapacity of either himself or his wife they are unable to have children and where the pensioner's financial circumstances are such that hee could not afford to adopt children unless he received additional pension, and also in cases in which a pensioner's wife has given birth to an illegitimate child during his service and such child was not maintained by way of dependents' allowance but the pensioner upon his return has decided to keep the child and raise it as his own.

The section was also used at the time of the 1933 review when additional pension had been in payment for a wife and children and it was found that the marriage was invalid and the children therefore not legitimate. When pension had been in payment for a number of years it was felt that although there was no authority to continue additional pension for a wife, a hardship would be worked by discontinuing additional pension on behalf of the children and in some cases the section was invoked to continue such additional pension.

That is the commission's statement on commission policy; and in readiness for any discussion which may come up later. While I am on my feet, may I make a correction in a reply I gave to a question by Mr. White, I think, when he asked how many of the commissioners had served in the ranks and I indicated four or five. Actually the answer should be, the chairman and Commissioners Bray, Chute, Matheson, Barnes, Bridges, Forman and Pickersgill. They had service in the ranks and they are eight commissioners out of fifteen.

Mr. LENNARD: Mr. Chairman, do you wish us to engage in a discussion of the report of the chief commissioner now or later?

Mr. CHAIRMAN: I think we had better stick to our routine. I believe the chairman's idea was to get that information on the record so you might look at it and deal with it later.

This morning I received a letter from His Honour Frank McDonagh addressed to myself as chairman of this committee and which reads as follows:

May I on behalf of the National Council of Veteran Associations in Canada express to you personally and through you to the members of the Special Committee on Veterans Affairs our sincere appreciation for the kindly hearing you gave us on Friday, April 23.

Every member of our delegation felt that they had been given every opportunity to say what they thought and they appreciate the manner in which they were received.

I am very pleased to tell you that our chairman, Colonel E. A. Baker, has returned feeling very much better. He asks me to advise you that he will be prepared to appear before your committee if you wish him to make further representations re war veterans' allowance or other matters mentioned in our brief presented to the committee on March 15.

I wanted you to know that we have that letter and we are glad to know that our friend Eddie Baker is back on the job.

On Friday morning we were discussing—perhaps it would be more accurate to say we were trying to work out a formula to give expression to the opinion of the committee that we should in point of fact establish a floor under pensions of World War I, and at the invitation of the chairman and the secretary of the Pension Commission help in suggesting something in the nature of a formula which did not involve an amendment to the Act but which did accomplish that same thing; and when we left off we were at the point of discussing that. If the mind of the committee has clarified on the matter in the meantime the chair is now open for suggestions as to what we might accomplish. I conceive that to be the desire of all.

Mr. BROOKS: Mr. Chairman, was not our idea mainly to make a recommendation along the lines that the Legion had used, that the pension be stabilized, and we did not intend to formulate all the amendments that we thought possibly should be made to the Act, but we were to determine the principle of whether the pension should be stabilized or not and then, I think, put it up to the department.

The CHAIRMAN: Yes. I think it goes without saying, judging from the discussion, that the committee generally are desirous of giving expression to that idea. On the other hand, I see no reason why, if the committee are in a position to agree on a method of recommendation, that it should not be done.

Mr. QUELCH: Mr. Chairman, I think when we were discussing this question the other day we realized that in stabilizing pensions it would be necessary to state a period of time during which a pension would have to be paid before a floor could be placed under it, otherwise it might work to the disadvantage of the veteran, because it might have the tendency to discourage a temporary increase in the pension to take care of a parent. I made a suggestion the other day that a two-year period should be put in, but I think it was stated that that would not be long enough to take care of T.B. cases; so I move on the recommendation: that in respect of World War I claims no reduction in the assessment of disability shall be made, providing such assessment has been in effect for three years or more.

Mr. HERRIDGE: I second that motion.

Mr. PEARKES: Why is the limitation made for World War I veterans? Why should not the other veterans who, perhaps, have served in the South African war or perhaps in World War II and who have drawn the pension for five years not be entitled to the same privileges?

Mr. QUELCH: The recommendations of the Legion, of course, only refer to World War I. I think I am correct in that. I think most of the recommendations that have been made have been in relation to World War I. The idea is that it is pretty nearly thirty years since the end of that war and many of those veterans have been receiving pensions for twenty-five or thirty years. The average age of those veterans is around fifty-five or sixty. It does seem to me a terrible thing that a man who has been receiving a pension for all those years and has got up to the age of fifty-five or sixty should feel for one minute that there was any danger that his pension might be reduced. It is true that the chairman of the Pension Commission has told us that that would not happen, but I say that the veteran will feel that much more secure if he knows definitely that a floor has been placed under his pension. If you bring in World War II then I think you will probably have to put an age limit, and personally I would be opposed to putting in an age limit. We might have another recommendation dealing with World War II, and keep them separate.

Mr. LENNARD: You would include South African veterans?

Mr. QUELCH: Yes.

The CHAIRMAN: On the point of the South African veteran, that is not a point at issue because there are no South African veterans getting the Canadian pension.

Mr. LENNARD: Perhaps they should.

The CHAIRMAN: The pensions from the South African war come from Great Britain.

Mr. BROOKS: We could supplement them.

The CHAIRMAN: As far as we are concerned we do supplement them, but we have no responsibility for each entitlement case.

Mr. WOODS: We have no power to authorize a British pension.

The CHAIRMAN: Yes. We have no power to authorize a British pension. I think this matter has been pretty thoroughly discussed by the various national veteran organizations, and the department has done or will do something for these people which will be readily acceptable not only by our veterans but by people across Canada generally, as little more than justice to the man who has reached fifty-nine years of age or nearly so and who has, for all these things, been regarding his pension as part of his estate, who looks to that pension if he is in classes 1 to 11, as providing a major part of estate. In most cases he can or he will leave the whole of his estate to his dependent wife, and Mr. Quelch's motion, as I understand it, is that we should give to those veterans the security that they have throughout the years regarded as part of their estate and which, so far as the parliament of Canada is concerned is, in fact, their estate; they have to that extent, through their suffering, provided for their dependent widow.

Under those circumstances, gentlemen, pensions are never a closed book. If there is one thing we have learned since 1919 it is that there is no closed door on any of these matters. This is a big step. Personally I feel very strongly that it is too soon to put a limitation under World War II men. I would be afraid if we did that we would come back to the position that Mr. Brooks and those of us who were here in 1936 and 1937 ran into, that human nature being what it is there would be a tendency to go easy on the award of pension with the best intentions in the world in view of the fact that this condition might materially improve, and the public generally would be led through exaggerated pensions in later years to have their confidence in pensions generally shaken.

Mr. BROOKS: You are speaking for yourself particularly now?

The CHAIRMAN: I said so specifically. I think this is only the second time I have spoken personally. I feel very strongly that the king pin of our pension legislation is public confidence; while everybody will accept something, I think, for these men who have been in possession for a long time, the men specifically feel it is too early to attempt that for World War II.

Mr. PEARKES: May I ask a question about the South African veterans? I realize, of course, that the pensions paid are British pensions and they are augmented by Canadian funds—

The CHAIRMAN: That is right.

Mr. PEARKES: Now, in the event of the South African pension being reduced by the British authorities would it not be in order to have an increased augmentation given by the Canadian authorities in order to keep up the same level? I feel that the South African veteran is very much in the same position as the veteran of World War I. While I have not the faintest knowledge as to whether the British do ever reduce pensions I feel that this is a safeguard which we might perhaps, consider.

Mr. HERRIDGE: I support generally the remarks of Mr. Quelch and those of the chairman. For once I am in agreement with the chair.

The CHAIRMAN: You are progressing.

Mr. HERRIDGE: I think, in view of the remarks made by General Pearkes, it would be well to hear from the chairman of the commission as to the practice. Of course, these South African veterans must be pretty aged. I cannot conceive of the government reducing the pensions of these men at the present time.

The WITNESS: With regard to the remarks made by General Pearkes, Canada has taken the excellent position whereby any Canadian who served in the forces of His Majesty or His Majesty's allies will not be in an inferior position; but in so far as the South African war is concerned we cannot interfere

with the basis of entitlement; that is purely a matter for Great Britain, because he is pensioned as a member of the British forces; but subject to that factor he is never at any time in an inferior position to what he would have been had his services been with Canadian forces as in World War I or in World War II.

By Mr. Brooks:

Q. May I ask Mr. Melville about the medical examination of South African veterans? Do they come before our department for an examination to see whether there should not be an increase or a decrease in their British pension; or do the British look after that?—A. The situation is this, that the Ministry of Pensions has in Ottawa a ministry representative and he also has on his staff medical advisers, but the examination of British pensioners in Canada—

Q. I was referring to our Canadian South African veterans who are under the British?—A. These examinations are carried out at the request of the British ministry through our own Canadian Veterans Affairs facilities.

By Mr. Cruickshank:

Q. Are we actually decreasing the pensions of South African veterans?—A. No.

By Mr. Bentley:

Q. In the event of a South African veteran, who is being paid a pension by the British government, feeling that he has suffered a deterioration of his condition due to his war services and wishing to request an examination to find out what his condition is, what machinery is there established for him to get that examination and reassessment? Does he have to go to a British doctor or can he get the examination close to home?—A. You are speaking now, Mr. Bentley, regarding Canadians who served in His Majesty's forces or with the forces of His Majesty's allies?

Q. Either one.—A. Are you still asking with regard to South African veterans?

Q. It would cover them all. The discussion about South African veterans brought the matter to my mind; but it could apply to a veteran of World War I who was in His Majesty's Imperial forces and moved over here and is getting a pension from the British government.—A. With regard to a Canadian who served in His Majesty's forces or in the forces of His Majesty's allies in World War I or World War II, who is anxious to claim pension or probably claim entitlement for another condition, he must refer to the government of the country with which he served. In other words, Canada cannot interfere with the jurisdiction of that country with respect to the award of entitlement. Once entitlement has been conceded we come into the picture definitely and we supplement if he is not getting as much as a Canadian would have received for that same award of entitlement; then he is brought up to the Canadian rate.

Q. There is no agreement between the two governments whereby a fellow who may be living away back in the hinterland or on the prairie provinces or in the east can go to a place where there is an opportunity for him to get a physical examination? What machinery does he use?—A. Our relations are very good, as everybody knows. We have a very wide diplomatic corps in Ottawa. Say that these representations reach the diplomatic representative in Ottawa, they would be referred if examination was desired to the Department of Veterans Affairs. The department would arrange to carry out the examination at the request of that government and would bill them for the costs.

Mr. PEARKES: Does the South African veteran who received a severe gunshot wound get the same automatic increase as a Canadian veteran would?

The WITNESS: Yes, he does.

The CHAIRMAN: Gentlemen, there is a motion before the chair. It was moved by Mr. Quelch: that the committee recommend that in respect of World War I claims for pension no reduction in the assessment of disability shall be made providing such assessment has been in effect for three years or more. That motion was seconded by Mr. Herridge. If there is no further discussion I should like to put that motion. Shall the motion carry?

Carried.

Now that this motion is carried the chairman of the Pension Commission would like to say a word.

The WITNESS: Mr. Quelch said there probably was a tendency to discourage our increasing an assessment, and I must say, Mr. Quelch, that nothing will discourage us increasing a man's assessment if his pensionable disability has increased.

Mr. QUELCH: If a man had a condition which you recognized was a temporary condition you might award a temporary increase in pension, knowing that that situation would change. That condition would get less and, therefore, as it got less your pension would get less. But if you have a floor under the pension at all times, when you increase that pension you will not be able to reduce it again. That might discourage you from increasing it temporarily.

The WITNESS: Nothing will discourage us from doing what is in the best interests of the pensioner.

The CHAIRMAN: Gentlemen, this motion has been carried. The chairman is jealous of the interests of the board over which he presides. I have been in the committee in the past when I have made very bitter accusations against members of the Pension Commission. The chairman will have to accept the fact that the committee and all veterans express more confidence in their administration, and the committee in their own judgment will have to see that the successors, if and when they come, will not be open to the charge.

Now, let us continue with the order in which we were discussing these matters yesterday.

Mr. WRIGHT: Mr. Chairman, I think there is a further recommendation by the veterans' organization with regard to stabilization.

The CHAIRMAN: I have it in my hand. I was about to say that we were not proceeding according to order. I spoke to a couple of members of the steering committee this morning about the order of proceeding. The next item is increase for age and the next one is consideration of 11(c). I have it in my mind that we have two meetings today and with the consent of the committee we might skip to item No. 3 on the agenda and begin our discussions with 11(c). This is not new material to most of us, and it is my hope that in view of the urgency to get on perhaps we might take up today's two meetings and see what we can do with 11(c). The committee will realize that we can only express our opinions and then proceed to recommend with respect to our opinions. With the consent of the committee I think we shall begin our deliberations on 11(c). I have not overlooked the matter of age.

Mr. WRIGHT: I think we might as well complete our discussion with respect to stabilization.

The CHAIRMAN: I am in the hands of the committee.

Mr. WRIGHT: I would like to have the chairman of the commission comment on this second recommendation of the Legion, where they say:

Stabilization of pensions—World War I

Recommendation—That the Pension Act be amended so as to stabilize pensions of World War I pensioners, but permitting upward revisions of pensions in cases where the disability has progressed by an extension of the automatic increase principle.

In other words, that there be an automatic increase of the pension in the case of advancing age and with respect to gunshot wound cases of World War I pensioners.

The CHAIRMAN: Order, gentlemen. It is difficult to hear.

Mr. WRIGHT: That is a very important recommendation and I would like to have the comments of the chairman of the Pension Commission upon it.

Mr. BENTLEY: It is at page 3 of the Legion's brief.

Mr. HERRIDGE: You will find it at page 11 of No. 1 of the proceedings of this committee.

Mr. WRIGHT: On page 3 of the Legion's brief.

The CHAIRMAN: I have the printed copy; I see it, gentlemen, that is right. Go ahead, I am sorry I interrupted you, Mr. Wright. Have you anything further to say?

Mr. WRIGHT: I would like to hear the comments on the chairman of the Pension Commission in this respect.

The WITNESS: The automatic increase for age has been applied. It became effective in February, 1938, and the commission's action, in that regard, is governed by the Pension Act, section 24, subsection 2, which reads as follows:

(2) The estimate of the extent of a disability is based on the Instructions, and a Table of Disabilities to be made by the commission for the guidance of physicians and surgeons making medical examinations for pension purposes.

In 1938 representations were advanced to the commission, particularly on behalf of a certain group, those who had in actual battle combat suffered amputations or gunshot wounds. A very careful study was made of that question and it was realized then that when we considered an amputation case, the amputation, in the case of a young fellow, shortly after his discharge, imposed nothing like the disability it would in his later years; and I may say that becomes much more evident now, as I meet a number of these serious disability cases.

The assessment was a fixed one. The commission, for amputation below the knee, assessed the disability at 50 per cent; and for an amputation above the knee, at 70 per cent; and for a Syme's amputation at the ankle, 40 per cent. These are fixed disabilities.

In the case of these men, they were not called in for examination at any time and instead of calling them in, in their later years and determining, what was a very difficult problem, whether or not that amputation from gunshot wounds imposed a disability which was very much greater on account of advancing years, it was decided by the commission that an automatic increase should be given.

As a consequence, an amendment was made to the Table of Disabilities; and the amendment is as follows:

(2) When a pensioner who is in receipt of pension at the rates of 50 per cent, 60 per cent or 70 per cent in respect of an amputation reaches

the age of 55 years an additional 10 per cent shall be added to his assessment; at 57 years a further 10 per cent; and at 59 years a further 10 per cent until the assessment in respect of amputation in each case becomes 80 per cent. Similar action will be taken in the cases of pensioners in receipt of pension for gunshot wounds.

By Mr. White:

Q. Are those provisions of the Pension Act made in accordance with subsection (2)?—A. According to section 24, subsection (2) of the Pension Act, the commission shall prepare a Table of Disabilities. It is purely a matter of assessment. The commission keeps track of this information and when, according to the records, a pensioner reaches the age limit of 55, 57 or 59, we write to him along these lines: "I am pleased to be able to inform you that you are entitled to an increase in your present rate of pension." Then we quote the reference in the Table of Disabilities which I have just quoted into this record. We tell him that the adjustment in his case is represented in the cheque and statement which is enclosed. The action is automatic.

By Mr. Brooks:

Q. Does that apply to pensions of 50 per cent or over?—A. To pensions of 50 per cent; for amputation or gunshot wounds and with respect to the other pensioners, of whom there is a very large group, it must be borne in mind that if they have entitlement, and when on re-examination the pensionable disability has increased, the assessment is increased. He may reach an assessment of 100 per cent.

In case of men with other diseases they are re-examined from time to time; but with respect to your amputation cases arising from gunshot wounds, it is fixed and they were stabilized, if I might use the word, with no hope of any further assessment, and that is the reason, gentlemen, for the increases for age.

By Mr. Wright:

Q. It seems to me that we have reached a point now where we might give serious consideration to granting increases to pensioners who are receiving pensions for over 50 per cent disability and who have reached the age of 55 years. I think it is pretty apparent that they, as well as those with gunshot wounds, do suffer additional disabilities because of age. I would recommend that the committee make some recommendation with regard to them such as an automatic increase, the same as applied to pensioners receiving gunshot wounds, when the pensioner has reached the age of 55 years and is in receipt of a 50 per cent pension. I do not know to what amount that would increase our pension liability in Canada. I do not suppose the chairman would have the figures with him that would indicate to us that amount, without some further inquiry.

But it would, I think, save a great deal of money in calling pensioners for examination, if there were an automatic increase. So, could the chairman give us some idea as to the additional cost; and could he also give us an idea as to the number of pensioners who are receiving pensions of 50 per cent disability and over who have reached the age of 55 years and who, being called in, are being given an increase in their pension approximately equal to the automatic increase which is given to pensioners suffering from gunshot wounds.

The CHAIRMAN: Before you sit down, Mr. Wright, do you think that in view of the resolution which we have already passed this morning, with the lively hope of its being accepted, that it would be necessary to call anybody in for re-examination, if it is thought that their condition has worsened from now on?

Mr. WRIGHT: That is a matter of opinion.

By Mr. White:

Q. The practice was mentioned a moment ago, that these disabilities increase 10 per cent and so on, and the amendment was made. I would like to ask who made that amendment.—The amendment was made under the authority of the Pension Act, by the Canadian Pensions Commission. We have the authority and we are instructed to prepare a Table of Disabilities, and that Table of Disabilities is reviewed from time to time.

Members of the committee will remember that I appeared before them in 1946. I advised on the subject of defective hearing, and that it had been under consideration by the commission for a considerable time, a matter of many months, and that an amendment to the Table of Disabilities had increased the award for total loss of hearing from 60 to 80 per cent. Other assessments were increased accordingly. The Table of Disabilities is reviewed constantly. We endeavour to keep thoroughly informed as to modern practice, as to the laws of compensation in other countries. The authority we have is that which is contained in the Act; that we shall prepare a table of disabilities; and that is part of the Table used by the commission.

Q. Would you say, with such authority, that the Board of Pension Commissioners for Canada, now have the authority to amend the Table again to provide for all pensioners to receive automatic increases upon reaching these various ages?—A. Yes, provided the commission was satisfied that they were conforming with their mandate which is contained in section 24, subsection (1) of the Pensions Act, and is headed, "Pensions in Accord with Extent of Disability." We must be governed by that and by subsection (1) of section 25, and subsection (2).

Q. Does that mean that there is no amendment which would bring about what we are desiring to do, and that the matter is entirely in the hands of the commissioner?—A. It would require a definite amendment to the Pensions Act. Mr. Wright has stated that provision should be made when the disability increases. But when the pensionable disability does increase the pension is increased. For example, a pension of 5 per cent originally awarded for bronchitis may, through the course of time, reach the point where the pensioner is receiving 100 per cent pension; and many other conditions may go the same way. You may find the initial award, which was small, was upon re-examination, where that is carried out, increased. The only limitation by statute, is that which calls for a pension not exceeding 100 per cent.

By Mr. Brooks:

Q. In the matter of gunshot wounds, whether the disability has increased or not, when a man has reached a certain age, his pension is increased 10 per cent. Now, with respect to the case of the other disabilities you mentioned, Mr. Wright suggests that they also be increased 10 per cent, whether the disability has increased or not. The idea is that in the first place it was increased on account of age automatically; and he also adds that we do the same and increase it on account of age in the case of non-gunshot wound cases.

By the Chairman:

Q. Am I correct in this? Is it the case that the commission feels that a man who is 57 or 59 years of age and who has an amputation above the knee is more seriously disabled than when he was 22 years of age, and that it is obvious; and that the commission have medical advice and exercise discretion on that point?

By Mr. Brooks:

Q. That is as to age again.—A. I will admit, Colonel Brooks, your point is well taken and well expressed; but actually, it is an assumption on the part of

the commission with respect to the gunshot wound case, and the amputation case. Being the result of a gunshot wound, that there has been an increase in disability. That is an assumption which the commission makes and we do not call them in. On the basis of that assumption, we have applied this amendment to the Table of Disabilities.

There is no assumption in the case of these other disease cases; in those cases it is a question of actual fact and they are brought in for examination. On the basis of that examination they are assessed.

By Mr. Cruickshank:

Q. The system you have now would be more to the veterans' interest; and instead of the ordinary increase they may need a far greater increase.—A. Without their asking for an examination they get an automatic increase. But if they think the automatic increase is not sufficient, there would be nothing to prevent them, under the Act, from making application and, if entitled, getting a further increase.

The CHAIRMAN: I am sorry, but it is very difficult to hear. Brigadier Melville would like to answer that question off the record.

(At this point the proceedings continued off the record).

Mr. BLAIR: I should like to support the chairman of the Pension Commission. There is a great deal that you must leave to the discretion of the Pension Commission. For example, take the man with the amputation. Increasing age will increase his disability. In fact, he will be less able to get around than he was as a young man.

The CHAIRMAN: He cannot dodge trucks.

Mr. BLAIR: And then take the cases of chronic bronchitis. Those cases will become worse in the case of older men. So I feel that a lot of this ought to be left to the discretion of the Pensions Commission in assessing a man's disability, and whether it worsens.

No legislation you can bring in is going to be a hard and fast rule. This age group is bound to increase as time goes on.

The CHAIRMAN: Thank you, Dr. Blair.

Mr. MELVILLE: Dr. Blair's remarks are very helpful. Take the case of the pensioner with bronchitis. He may apply in connection with hernia and say that it was induced through excessive coughing brought about by his bronchitic condition. We have many such cases. You will find that in a great many decisions of the commission it is ruled as related to the pensionable condition and carries the same entitlement. Also with respect to cases where the bronchitis has, in later years, developed and there is a mitral murmur, if in medical opinion, such is related to the pensionable condition, then he gets increased assessment.

Mr. WRIGHT: I would like to hear from Mr. Herwig in this matter. He might have some recommendations.

The CHAIRMAN: Well, Mr. Herwig is here today and if he might like to say a word at this time.

Mr. HERWIG: It is my opinion that the older veterans regard their pensions from the standpoint of economics.

In pension practice we have made some discrimination between diseases. We say, for instance, with respect to the tubercular veteran, that his economic aspects have been pretty well taken care of. The amputation and the gunshot wound cases have also been pretty well taken care of by means of the automatic increase. But nothing has been done for these other chaps aside from

the policy which came into effect in 1936; and while that policy has a very similar objective, yet, nevertheless, quite a number of cases do arise where the older veteran has his pension cut.

I hope I am getting my point over. It is really a question of economics for the pensioner, and the fact that the Pension Act does require examination with a consequent increase or decrease, according to the findings of that examination, poses a difficulty. That is why we have asked for the automatic increase to be applied to the veteran who is not in the other cases.

The CHAIRMAN: Before you came in, Mr. Herwig, the committee had, I suspect rather successfully eliminated any further cuts in pensions. So that possibility, which Dr. Blair raised a moment ago, is now, according to the committee's recommendation, his clear prerogative. The man may have hesitated to seek examination through fear that the examination might result in a finding that his condition is better—isn't that your point? That those who were pensioned for medical conditions rather than for physical or gunshot wounds were getting the advantage of their progressive age. I think we have already taken care of that.

Mr. HERWIG: Thank you very much.

The CHAIRMAN: Is there any further discussion on this section?

Mr. WRIGHT: You raised a question about the tubercular patient. Now, I have a problem which I would like to put before the commission with regard to tubercular pensioners. I do not know whether it should be done here, and I leave it up to you.

The CHAIRMAN: What is the problem?

Mr. WRIGHT: In certain provinces in the Dominion, provincial sanatoria take care of the tubercular cases for the Pension Commission. For instance, I am using the province of Saskatchewan as an illustration. If a pensioner there has tuberculosis, he is sent to the provincial sanatorium for that disability in relation to his pension. And the Pension Commission, as I understand it, pays to the province certain sums of money for his care in the provincial sanatorium, and they make a deduction from his pension of \$15 a month.

Now, another pensioner has the same service as the veteran with tuberculosis, but his tuberculosis is not related to his pensionable disability. He goes to a provincial sanatorium, he gets free treatment and there is no deduction from his pension.

This practice has caused a lot of dissatisfaction in the province, and I expect in other provinces where similar conditions exist. When the man who has tuberculosis which is related to his pensionable disability goes to the sanatorium, a deduction is made from his pension; but in the case of the soldier who has tuberculosis which is not related to his pensionable disability, upon his going to the same sanatorium, there is no deduction made from his pension.

I think that is an anomaly which should be removed. I do not know whether it necessitates a change in the Pension Act. I do not think it does. I think it is a matter which can be dealt with by the Pension Commission.

(At this point the discussion continued off the record.)

The CHAIRMAN: The chairman will answer you, Mr. Wright.

Mr. MELVILLE: The regulations in that regard are to be found in the Pensions Act, section 29, which deals with "pension reduced during treatment".

29 (1) During such time, under departmental regulations in that behalf, a pensioner is entitled to hospital allowances while an in-patient under treatment from the Department and his pension including the

pension, if any, for his dependents is greater than the hospital allowance awardable by the Department, pension shall be reduced by that amount which will make such pension equal to the hospital allowance.

So, any action which is taken with regard to the pensioner is in carrying out the provisions of the Act.

As to the other case you quoted, the non-pensioner, that is taken care of by the next subsection. I take it that it is not necessary to read it.

By Mr. White:

Q. You speak of a 10 per cent automatic increase. Does that mean 10 per cent of the disability, that it is raised 10 per cent, or is it 10 per cent of the actual money that is received? And when you come to the second increase, what is the second 10 per cent based on?—A. If he be a 50 per cent pensioner, and reaches the age of 55, and his pension is on account of gunshot wounds or amputation, his pension is increased, in assessment, from 50 to 60 per cent. And when he reaches the age of 57, we draw his case again and we review it, and it increases from 60 to 70 per cent. When he reaches the age of 59, we once again review his case and his assessment is increased from 70 to 80 per cent. And if he happens to be a 70 per cent pensioner originally, he gets an increase from 70 to 80 per cent.

By Mr. Wright:

Q. The only way in which this anomaly could be removed would be by an amendment to the Pension Act. Has the Pension Commission authority at the present time to remove these differences that exist now between the two pensions?—A. That is correct, Mr. Wright, an amendment.

The CHAIRMAN: If that concludes the discussion with respect to increases for age, it would now be in order to begin the discussion on the recommendation with respect to 11-C.

Mr. CRUICKSHANK: I think that is a very important point which Mr. Wright brought up. When will we be able to bring in a recommendation to amend the Act.

The CHAIRMAN: We are through with the bill now, Mr. Cruickshank. We are dealing, at the present time, with the situation and the difficulty, which, I think, confronts us with respect to the dissimilarity of provincial legislation. If you attempted to consider those differences you might find a situation, where, for the same disability, the pensioner in New Brunswick would be in a wholly different position from the pensioner in the province of Saskatchewan.

Mr. CRUICKSHANK: Is there any way you could rectify that? We cannot control the different provincial acts; but surely we can control our own Act.

Mr. WRIGHT: This applies in British Columbia as well as in Saskatchewan, and in any province where treatment for tuberculosis is free.

The CHAIRMAN: The veteran who has tuberculosis and who is not a pensioner for it has greater consideration from the provincial government than does the veteran who is pensionable for tuberculosis, under the Dominion Act.

Mr. WRIGHT: Yes. There is a deduction made in the case where the tuberculosis is related to his pensionable disability, a reduction of \$15 per month taken from him while he is in the sanatorium. But in the case of the pensioner who has tuberculosis which is not related to his pensionable disability, there is no deduction. That creates all sorts of dissatisfaction from pensioners in the same sanatorium. In the case of the man where the tuberculosis is directly related to his disability, he is penalized because it is related to his disability.

The CHAIRMAN: I have spoken to the deputy minister and he has offered to file a statement from the department showing what the incidence of this par-

ticular difficulty is. I suggest that it is pretty hopeless to discuss it without that information. So, with the approval of the committee we will defer that until we get a statement from the deputy minister, whereupon will know how great the difficulty is, and if there is anything we can do about it.

Mr. WRIGHT: That would be satisfactory.

By Mr. McKay:

Q. When the \$15 is taken, is it retained by the commission or is it paid over to the hospital concerned? Is the \$15 taken over and paid on behalf of the tubercular patient?—A. The amount in question is either pension or hospital allowance. It concerns the individual.

By Mr. Cruickshank:

Q. Who gets the money?—A. The reduction is taken by the Canadian government.

Q. The Treasury Board, in other words?

By Mr. Pearkes:

Q. Does the same principle apply in connection with the veteran's allowance? I am only suggesting that now so that the deputy minister, when he prepares his statement, may bring in similar data with regard to the veteran's allowance.

The CHAIRMAN: That will be done, Mr. Pearkes.

Before we begin our discussion on 11-C, the chairman of the Pensions Commission tells me that he now has the answer to a question asked by Mr. Harris and Mr. Quelch, and he would like to be able to answer it.

Mr. MELVILLE: Mr. Quelch was speaking the other day about section 20, subsections (4 and 5); Mr. Harris also was anxious to obtain some information for the benefit of members of the committee.

I was not quite happy with the information I secured before I came here this morning, and I sought some more which has just reached me.

Section 20, subsections (4 and 5) of the Pensions Act deal with disposal of unpaid pensions and discretion to pay pensioners' last sickness and burial expenses.

Section 20-4-5 and 8 of the Pension Act

These sections deal with unpaid balance of pension and treatment credit which may exist at the date of a pensioner's death, Section 20-8 define "pension" as including hospital allowance, pay and allowances or compensation, credited or payable to a pensioner while receiving treatment by the department for a pensionable disability.

Section 20-4 provides that any pension, or balance of pension, due to a deceased pensioner at the time of his death, whether unpaid or held in trust by the commission or the department, shall not form part of the estate of such deceased pensioner. The effect of this section is that any such balance is not automatically paid to the administrator or personal representative of the deceased.

Section 20-5 clothes the commission with discretion to direct the payment of such pension, or balance of pension, in whole or in part, and the procedure followed in disposing of unpaid balances is briefly as follows:—

If a disability pensioner dies leaving dependents on whose behalf he was in receipt of additional pension, such as a widow, children mother or father, the unpaid balance accumulated to date of death is paid without investigation.

In cases in which the deceased did not leave dependents on whose behalf he was in receipt of additional pension, the balance accumulated

to date of death may be paid, in whole or in part, on application thereof, to any person who had maintained him or had been maintained by him, or towards the expenses of his last sickness and burial. In this class of cases applications are investigated to ensure that maintenance was provided as claimed or that the applicant had been maintained by the pensioner, or that the applicant was responsible for the payment of expenses towards the last sickness and burial which could not be recovered from the estate. In the event that the estate was sufficient to provide these expenses payment of such unpaid balance is not authorized.

Generally speaking the only cases in which unpaid balance of pension are not released after an application has been made therefor are:

1. When the deceased was receiving treatment in a departmental hospital and the departmental grant is sufficient to cover the expenses of last illness and burial.

2. Where the deceased was in receipt of personal pension only and left an estate sufficient to cover the expenses of last illness and burial.

The procedure outlined above is followed in the case of death of both a widow and a dependent pensioner.

Mr. QUELCH: Could you say that one of the main reasons why the unpaid pension is not made part of the estate is to ensure that the people who were looking after the pensioner at the time of his death would be recompensed; to ensure that the unpaid pension would go to them rather than into an estate which might not recompense the person who looked after the veteran at all? It seems to me that the money should go into the estate. There is no explanation why it is not part of the estate. There must be a reason.

The WITNESS: I had the statement placed on the record. I thought probably at some later time when you had an opportunity of reading it we might develop a discussion and I shall be glad to participate then.

The CHAIRMAN: The fourth point of the brief of the Canadian Legion which we have been following roughly is the elimination of exceptions under 11 (c). The recommendation reads: "That pension shall be paid for the entire disability of any man or woman who served in an actual theatre of war except only if it was obvious at the time of enlistment".

From a variety of sources indications have come that this particular recommendation should be the subject of discussion in this committee, so let us get at it.

Mr. WHITE: Mr. Chairman, this section has been the cause of very divided feelings on the part of many applicants for pension, and it is not my intention to review all the speeches that have been made in the House in regard to this section. But I pointed out in dealing with this section that we should bear in mind also the provision of section 62, which gives the pensioner the benefit of the doubt.

Now, in the last two lines of this section are the words which have caused all the trouble: the disability was wilfully and deliberately concealed, was obvious or was recorded in the medical examination prior to enlistment. Now, in the Legion brief they have covered the two points with regard to deliberately concealed and recorded on the medical history sheet.

Some time ago Mr. Green had a return made showing the number of pension applications that had been refused, with the ruling by the commission that the disability was not pensionable because the disability was pre-enlistment, was deliberately and wilfully concealed and not aggravated by war service. I would like to say in all kindness to the chairman of the Pension Commission that I do not know of any letter that you could send to an applicant, containing those words, that will create more danger and more bitterness towards your

commission than those few words; and whoever coined that phrase certainly, in my opinion, did not have the interest of the pensioner or the pension applicant at heart. Now, everyone here knows that as far as World War II is concerned that with the exception of the first few months of the war before the medical services were properly organized every soldier who entered the forces had a most rigid examination, an examination more rigid than one would get for an application for insurance, at least in the province of Ontario.

Now, in view of that fact it seems to me that the soldier was not at least getting the benefit of the doubt. When he passed that examination by, perhaps, more than one medical doctor, when he was x-rayed and accepted in the service, and in many cases saw strenuous overseas service, and then found later that the Pension Commission in Ottawa on the advice of the medical advisers who by a guess—I do not know how you want to put it—say that the disability was something the man had previous to his enlistment which he wilfully concealed and which was not aggravated or in any way due to his war service, to me that does not make sense, with all due respect to the medical advisers of the commission. The average soldier simply cannot understand why, if he was accepted into the army in category 1, if he was able to see service overseas, he should be told later that his disability was something he had previous to his enlistment—something he had wilfully concealed. It might be interesting if the chairman gave us the exact number of cases where the Pension Commission have ruled as to the number of cases which they have held where the disability was something that was of pre-enlistment origin and was concealed on the man's examination when coming into the army.

Now, as far as the clause of the Act, "was recorded on medical examination" is concerned, everyone here has had many cases where the soldier has found that due to some simple statement he made which has been put down in his medical examination sheet, the Pension Commission now says, "Here is some of the evidence he gave us of some injury prior to enlistment". Everyone knows of the particular case in the province of Ontario where the Pension Commission tried to show that the disability was due to some injury the soldier had received while he was working, I believe, in a lumber yard, and the soldier was able to get the exact x-ray plates from the Ontario Workmen's Compensation Board which showed there was absolutely no disability. That may be far-fetched; but it seems to me that in many cases if the soldier only makes the slightest statement or slip about any disability prior to enlistment then the Pension Commission is only too eager to fix on that statement and make a ruling that the disability was of pre-enlistment origin.

Now, it seems to me, Mr. Chairman, that if we could eliminate from this section the words, "was wilfully and deliberately concealed and was recorded on the medical examination prior to enlistment," then the application to the commission could be dealt with more fairly for the veteran; and I propose to move a resolution, Mr. Chairman, in the following words:

Resolved that it is expedient to amend section 11(c) of the Pension Act, to eliminate certain exceptions which, in effect, destroy the principle of the section frequently on premises that cannot be actively or credibly established.

Proposed amendment:

That section 11(c) of the Pension Act be amended as follows:

By striking out all the words after the word "forces" in the twelfth line thereof and adding the following:

"was obvious on enlistment."

Now, that proposed amendment, Mr. Chairman, is entirely in line with the recommendation made by the Legion.

The CHAIRMAN: Mr. White, in accepting your motion I wish to accept it subject to the rewording in the former recommendation, that in the opinion of this committee such an amendment should be made. The committee has not the power to amend the Act—to propose an amendment to the Act; all we can do, Mr. White, is to recommend that in our opinion the government should consider the advisability of so amending. Subject to that rewording, I should be glad to accept your motion.

Mr. WHITE: That is all right, Mr. Chairman.

Mr. BROOKS: I second that motion.

Mr. BLAIR: This is the kind of case which has given me cause for worry. because I felt from the time we wrote this into the Act two years ago that it was wrong, and I have had a great many cases come to my attention since. I think this is very well set out in the brief of the Canadian Legion in a letter to the former chairman of the committee. If the members have time and have a copy they should look over it. I am going to read into the record part of it.

It must now be clear that records existing even several years prior to examination for enlistment, if not disclosed, lay the veteran open to a charge of wilful concealment even if the record shows him to have been healed of his condition. On the other hand, if the charge of wilful concealment is not made, the fact that there was a record prior to enlistment is still accepted as evidence of a pre-war condition, even if that evidence indicates that the patient was cured.

“Wilful concealment” is being interpreted as a failure to disclose some early childhood complaint or event which the veteran may not recall but may have been informed of by his mother. It is incredible to a layman that a disability occurring during war can be related to a childhood complaint of unknown or unestablished diagnosis or degree of severity, without some supporting medical evidence equally as conclusive as it required to establish a claim.

Now, the Legion submitted four cases and I propose to take up those cases this morning, and add to them, if it will not bother the committee to listen to medical evidence; but I feel very strongly on this matter because I feel that in many cases a gross injustice was done to these men.

Further to the brief of the Canadian Legion:

With regard to records on medical examination prior to enlistment, the same observation applies. Recorded admissions by the veteran, unsupported by medical evidence, should not be regarded as records for the purpose of this section. The Pension Commission will accept unsupported medical opinion based on such admission, but will not accept a claimant's statement unless conclusively supported by medical records compiled during service. Equally conclusive evidence should be required to deny entitlement to pension for the entire disability on this count.

This paragraph which I have just read puts a man in an enviable position. It is said by the Legion here that they have found out in presenting these cases that where the man cannot present medical evidence to show to the contrary the Pension Commission does not accept his word. This portion of the Act is bound up with the further clauses in the Act to benefit of the doubt. They are very close together; so in considering one we have to consider the other.

Now, I am going to present some cases, and I am going to say something about a case which has been mentioned, because it was a case presented before the House, and I think I have it here some place in my records.

I may say that I saw this man and I talked with him and I really believe that an injustice was done to this man for some time, but it has been rectified after a considerable period of time by the Pension Commission.

I am not going to mention any names or any numbers. This man was an outdoor man, a woodsman, who worked in lumber mills or pulp mills all his life. In 1935 he had an accident. He was hit in the back by a twenty-pound piece of pulp. At that time—this was in 1935—he was attended by the Workmen's Compensation Board of the province of Ontario, and the doctor of the Workmen's Compensation Board; x-rays were taken of his back and those x-rays in the province of Ontario have to be sent in to headquarters and passed on by the specialists who deal with those cases for the Workmen's Compensation Board. In this case these x-rays were negative, and the man was able to go back to work after two and a half or three weeks. The Workmen's Compensation Board in the province of Ontario were quite willing to close the case and the man was satisfied, and so he went back to work. In about 1940 or 1941 this man was about thirty-five or thirty-seven years of age, and he enlisted in the air force. He was too old to be sent overseas and so he worked in Canada. He went out in a tow-derrick and they used a winch of some kind. He strained his back and the trouble started. They had difficulty in trying to make a diagnosis. This man had extreme pain in his side, and they thought at first it was due to a kidney condition. It was thoroughly investigated and a protruding intra-vertebral disc was the diagnosis. Remember he had five years at least when he worked in a pulp mill without making any complaint regarding his back; he had at least three years in the air force without any complaint about his back; and then the difficulty came in of making a diagnosis and placing this condition as due to service. You can picture the condition of this man; he was the only person conscious of that strain in his back. He had had those years of work in a pulp, outdoor work, and three years in the air force. I am glad to say that in this man's case he was granted complete entitlement.

Now, to come back to these cases. Take the cases presented by the Canadian Legion the other day. They presented four cases. Is there any person in this committee who can truthfully say that they never had an ear ache; is there any person in this committee who has not had a running nose or sinus trouble; who has never had a cough or some abdominal distress of some kind? Is there any man in this committee who has never suffered an accident in civilian life due to his occupation? But, gentlemen, if you go back and attempt to assume that some condition that developed post-war is due to a condition that you had previously, that you have had in the course of your life, then this Act is absolutely wrong because there is no wilful concealment on the part of any of us, it is the frailty of our human bodies. We have all had these things.

Now, let us take some of these cases. Here is one listed as a type of case presented by the Canadian Legion, again with no name or number. He is a man with overseas service from July 28, 1943, to January 15, 1946.

During service this man had occasional trouble with his ears, same being tinnitus, and a running left ear. On examination for discharge, the specialist who examined him inserted the remark that he had ear trouble as a child. It recurred again in October of 1945, and the left ear had begun to run, one year previous to the examination, on the 28 of January, 1946.

Decision of commission:—April 10, 1947: Reasons: On examination for enlistment, the applicant denied history of ear disease. On examination for discharge he gave a history of ear trouble as a child. It is considered that the applicant should have disclosed this pre-enlistment history at the time of attestation. While it was of pre-enlistment origin, reports would indicate that it worsened during service.

The commission ruled—

He gave the history that he had a sore ear in childhood and yet the Pension Commission, due to the fact that this exists in legislation, ruled that this was

wilfully and deliberately concealed and aggravated three-fifths in service in a theatre of war.

Under "Comments" it says:

The commission have accepted the statement that this man had ear trouble as a child. In a letter to the commission, subsequent to the decision being rendered, the man pointed out that this ear trouble consisted of a small ear ache when he was about six years of age.

There was nothing wilfully or deliberately concealed there. What this man had applies to any one of us around this table. If we go back into any person's history we can find medical history of this sort. Remember that these men, when they came up for enlistment, were asked questions as to whether they had had trouble with sinusitis. He does not know what sinusitis is. It is not a question of ignorance; we are not concerned about these things unless we happen to have sinus trouble. If he answers no, then he can deliberately and wilfully conceal something.

Now, to go on to the next case. This is called "wilfully concealed—aggravated during service." This man enlisted on 23-9-40 and was discharged 1-9-45. He rendered service in Canada and on the high seas.

Service medical history: In June and July of 1943, he was hospitalized with his stomach complaints. At that time he gave a history that he had been well until three years ago, when he gradually began having pain in the abdomen. The attacks came at first about one month apart, lasting for three to four days. The medical officer made a statement that they antedated his enlistment. X-ray at that time revealed an active duodenal ulcer with previous deformity from scarring.

In May to July, 1946, he was hospitalized again and stated that in January, 1943, he began to have pains in the stomach relieved by food.

Decision of commission:—September, 1946. Reasons: On enlistment, no history of former illness or disease. During service he was treated for a duodenal ulcer, at which time he gave a history of abdominal pain, antedating enlistment.

He did not know if he had an ulcer; he was obviously all right at the time of enlistment.

From the records, it is obvious that there was permanent worsening of the pre-enlistment condition during service.

The commission rules: Duodenal ulcer—pre-enlistment condition, wilfully concealed, aggravated three-fifths during service in a theatre of actual war; award effective date of discharge.

Comments: The man has given a history in this case of pains in the abdomen. When he first gave the history in June and July of 1943, it dated back three years previously and the examiner made the statement that it antedated enlistment. It would seem that the commission have taken this indication of pain in the stomach as being a duodenal ulcer and have ruled that the man wilfully concealed it on enlistment and awarded three-fifths aggravation.

Here is another case, also an ulcer case, presented by the Legion.

Service medical history:—On attestation there were no signs of gastric or duodenal ulcers. Category A-1. Was re-examined on 19-3-43 and was still category A-1.

On 7-8-45 man stated that eight to nine years ago he was treated at the Toronto General Hospital for stomach trouble. He claims he was told he had a duodenal ulcer. Toronto General Hospital records show that an x-ray examination was carried out of the gastro-intestinal

tract on 8-4-35 and the report shows—negative for duodenal ulcer, negative for gastric cancer and gastric ulcer.

According to the records of the Toronto General Hospital, it was found that in 1935 the duodenal ulcer was considered negative. On discharge from the service the man had an active duodenal ulcer.

Now, at some time the commission have assumed that this man had a duodenal ulcer, in 1935, and in spite of the fact, gentlemen, that he had an x-ray taken at the Toronto General Hospital when he had this attack and it was negative for duodenal ulcer. These things are hard to understand. Here the commission somehow presumed. The man has evidence that he did not have an ulcer but he did have trouble with his stomach.

Here is another case from the Canadian Legion. The man gave a case history and said that he had a bad cold in the invasion of Sicily. But the question of sinusitis enters into it and the commission ruled that bronchitis and sinusitis were pre-enlistment conditions.

It is difficult for any man in the services to obtain medical records or obtain a certificate from a doctor that he did not have them. The onus is placed on the man to prove to the Pension Commission that he did not have the disability. The commission assumes that he had it, while the man claims that he did not have it.

These are good cases presented by the Canadian Legion, and their comments on these case histories are very, very fair.

Here is a case of a man who, upon enlistment, when he was asked if there was anything the matter with him complained of having had vague pains in one hip. This man went overseas, and in the course of his excellent service he was three times the victim of a direct hit on a tank. He came back to Canada. Whereupon one of his hips really went bad, so that he had to have a hip fusion in the hospital.

He is very, very badly disabled now. The hip has fused, yet the commission rules that in this case it was not due to service.

I do not understand how a man in a tank, which suffered three direct hits, could help but hurt his hip. And even, in spite of the fact that he had given evidence before, that he did have vague pains in one hip, yet the commission again assumed. He did not conceal anything. He told them about it; but the commission assumed this man's trouble with his hip was due to the fact that he had stated, quite honestly, that he had had some vague pains in one hip. But those pains could not have amounted to a great deal, because this man went through the arduous battle training as a tank man and he carried out his full quota of service, so much so that three different times he was in a tank when there was a hit on it. But the man does not get the benefit of the doubt.

The commission assumed that this man's injury was due to these vague pains in the hip, which were pre-enlistment.

Here is a letter. I have never seen this chap, but it is really a pathetic letter. This young chap was in bed with inflammatory rheumatism before the war; and he felt, with all the other boys going to war, that he should go too. So twice he went down and tried to enlist in an active service unit. Twice he was turned down.

He felt that he should do something. So he tried to join a reserve unit. You must remember, at that time the reserve units were taking in every person they could, because the active men were going overseas. But even the reserve unit turned him down, so he must have felt pretty bad.

Later on he received a call up and went down and was accepted as a B-1, in spite of the fact that he had a bad heart; that he only weighed 110 pounds. So he enlisted and had three years service overseas. After he came back he developed rheumatoid arthritis. He was hospitalized for some vague trouble

known as influenza overseas. He does not tell of having had a sore throat. This would be some sort of illness in the army which might have been due to rheumatic condition or due to the climate.

Altogether this boy had nine months in Canada and thirty months overseas in England and in northwestern Europe. But when he came back, under the D.V.A.—I forgot to tell you that he was discharged when he came back as A-1, yet he weighed about 110 pounds—a man with valvular disease of the heart, whose weight on enlistment was 110 pounds, but he gained four pounds overseas.

So he resumed his studies, and after he had been under the D.V.A. study system for three and a half months, he again developed rheumatic fever. They had to operate on his knee, and that boy has had to go back and forth to his classes at the university by taxi; and they are going to operate again on his knee, which will be permanently stiff.

That boy wrote his matriculation lying on a cot in bed and obtained honours in eight out of nine subjects. But the commission have ruled that this was a pre-enlistment condition and that it did not have anything to do with his active service.

The army said, when he tried to enlist the first time in the active forces, that he was good enough for B-1, so there must have been a marked aggravation in his condition overseas, but there was nothing which they did not know about him, because twice during that time, he tried to enlist.

Here is another case. I saw this man, and if there ever was a case where assumption was made against the man, this is it. This man enlisted and was absolutely fit. He went through his training in the infantry; and during the invasion of Sicily, when the landing barge he was on neared the shore, this lad was in the front of the barge laden with his heavy equipment and he was thrown forward and hurt his back. Some half hour later he was able to make his way ashore with the rest of the chaps in his unit and for the period of the invasion of Sicily he carried on the best he could with a sore back. Ultimately he had to go into a field ambulance, and at some time while still a patient in the field ambulance hospital, somebody found that he had a fracture of the back.

That man was questioned regarding his medical history while in the hospital, and he gave that history in which he said that the only time he had ever suffered from a sore back in his life was one time when he had lifted a piece of heavy farm machinery in Saskatchewan. This was a fractured back. There was a definite fracture, shown by the ex-ray that was taken, of the fifth lumbar vertebra; yet the commission ruled that this was pre-enlistment.

I have never heard of a man fracturing his back lifting a piece of machinery. This man states that he does not remember giving this evidence in the field ambulance hospital. Certainly, there was nothing held back because anyone of us might have lifted something heavy enough to hurt our backs; nevertheless the ruling is: a fracture of the transverse of the process of the fifth lumbar vertebra; pre-enlistment, wilfully concealed.

In its decision the commission said that it was unable to overlook the history of the injury in 1927 when lifting the piece of heavy farm machinery, and they assumed that this man's injury was due to the incident in Saskatchewan in 1927.

Now, gentlemen, this clause in the Act, and this clause referring to the benefits due, suggests a thorough going over in this committee, because from the cases which I have seen—and I have not cited them all by any means—injustice is done to these men. Any man, or anyone of us would try to be helpful to a doctor when he was taking our medical history; but the minute he does so, he is condemned. He is giving a statement which could not be permitted in a court of law. A man arrested for a grievous offense is allowed to have his lawyer present and would be careful about the statements he made, but in these cases the men tried to be helpful. The matter of wilful concealment never entered their heads.

I do not blame the Pension Commission because the legislation is there, and that legislation allows them to assume that a condition was due to a pre-enlistment condition.

How could this chap, who probably never saw a doctor at the time that he lifted the piece of heavy farm machinery in Saskatchewan in 1927, ever get supporting evidence? How could he prove that he had not fractured his back? This type of decision causes a good deal of discontent among our soldiers because of the injustice being done to men with excellent service.

The CHAIRMAN: Gentlemen, in order to regularize our proceedings, may I now read to you the motion moved by Mr. White: that the committee recommend that the government consider the advisability of introducing an amendment to Bill 126, an Act to amend the Pension Act, to provide that section 11-1-3 of the Pensions Act be amended by striking out all the words in line twelve thereof and substituting therefor the words "was obvious on enlistment".

Mr. WHITE: You should strike out all the words after the words "forces" in line twelve.

The CHAIRMAN: I am sorry. Strike out all the words after the words, "forces" in line twelve. In order to regularize the discussion so that we do not have a mass of material coming afterwards, Mr. White, in his address to the committee asked the chairman of the Pension Committee a number of questions.

I shall recognize you in the order in which I see you, gentlemen, and we will allow the commission in the interval between, to answer those questions which can be answered on the spot, because it would make our proceedings easier to study in the interval. Mr. White then may complete his comments on what the doctor has said. I allowed the two to go along together.

Mr. MELVILLE: Mr. Chairman, and gentlemen, I hope it will not be considered in any way that I am arguing against anything. I feel, in this particular question more so than any other, that I am charged with a very, very heavy responsibility: and that is to explain the policy and practice of the commission and I shall endeavour to do so honestly and faithfully with respect to all the information which is before me.

Both of the previous speakers commented on actual cases, so I should like to start by quoting from a letter which I received this morning. It is from an ex-member of the forces whom we called in for examination, and this is what he said: "I am not coming in for an examination for the following reasons. (1) At the time of enlistment I knew that if I told the truth as regards to my medical examination, I would be rejected; and I hoped that army life and medical care would remedy the bronchical condition that I had for seven years previous. Upon discharge my condition was no worse than upon enlistment. I had excellent medical care and thus I feel that neither the army nor the Pension Commission owe me anything in respect to an ailment which was present to a very marked degree seven years previous to enlistment, and I thank you for all the kind treatment I have received in this regard.

By Mr. Brooks:

Q. Where did that man serve?—A. That man served in a theatre of war and he is in receipt of a pension.

By Mr. White:

Q. Well, you might read some of the letters you have received protesting against your ruling?—A. Now, I shall endeavour to answer your question. At the opening of your remarks Mr. White you stated that a letter went out from the Commission advising a man that a decision had been rendered, and that the conditions claimed for was wilfully concealed, and you referred to

the relationship of section 62 of the Act, "benefit of the doubt". You said that the letter created distrust and suspicion; and if I am correct, you went on to say "who coined the phrase?"

Gentlemen, the phrase was coined by the law makers of this country, and I should just like to put on the record—because I am sure you want to know—just when this originated; and I shall give you the history in brief.

The history goes back to 1919, and the subsection then read: no deduction shall be made from the pension of any member of the forces who has served in a theatre of actual war on account of any disability or condition which existed previous to the time in which he became a member of the forces, provided that no pension shall be payable in respect to a disability which at the time was wilfully concealed, obvious or not, of a nature to cause rejection from service. That was in the original Pension Act of 1919.

I do not need to mention, gentlemen, that you are all aware of the various committees, parliamentary committees, and so on, which have met since that date, also the Ralston Commission. In 1920 there was an amendment

The provisions of Section 11 (1) (c) of the Pension Act were originally enacted as subsection (3) of Section 25 of the 1919 statute. The subsection then read:—

No deduction shall be made from the pension of any member of the forces who has served in a theatre of actual war on account of any disability or disabling condition which existed in him previous to the time at which he became a member of the forces:— Provided that no pension shall be paid for a disability or disabling condition which at such time was wilfully concealed, was obvious or was not of a nature to cause rejection from service.

In 1920, this subsection was amended by adding the words, "or was a congenital defect."

In 1923, Sections 11 and 25 were repealed. Section 11 was re-enacted so as to include as subsection (1) (b) thereof the provisions formerly contained in subsection (3) of Section 25, as enacted in 1919.

Section 11 (1) (b) then read:—

In respect of military service rendered during the war,—No deduction shall be made from the degree of actual disability of any member of the forces who has served in a theatre of actual war on account of any disability or disabling condition which existed in him at the time at which he became a member of the forces; provided that no pension shall be paid for a disability or disabling condition which at such time was wilfully concealed, was obvious, was not of a nature to cause rejection from service, or was a congenital defect:

In 1941, subsections (1) and (2) of Section 11 were repealed, and the former subsection (1) (b) became subsection (1) (c). The words, "was not of a nature to cause rejection from service, or was a congenital defect", were deleted from amended section and the expression "recorded on medical examination prior to enlistment" was inserted.

The section was further amended in 1946 by inserting the words, "and deliberately" between "wilfully" and "concealed" in the expression, "was wilfully concealed".

As will be noted, restrictive provisions concerning pension for disabilities which were present on enlistment have been continuously in force since the original statute was enacted in 1919. Although the Pension Act, including, of course, this particular section, has been the subject of close scrutiny and exhaustive consideration by various select committees of Parliament and the Royal Commission on Pensions which sat in 1923, none of these bodies has recommended that the provisions in question be deleted.

I was speaking for the record so you may know where this expression originated and why it has been applied by the commission in cases where we consider it necessary. We do not like the use of the expression, but I can give you the figures now that Mr. White asked for, and they could be made a part of the record. They are the result of an actual count of the cards maintained, not by the commission.

Every decision rendered by the commission is passed to the Treasury officer to be implemented or noted. These records are maintained by another department:

DISABILITY PENSION AWARDS AS AT 30TH SEPTEMBER, 1947

Awards in payment	80,186
Favourable decisions rendered	130,752
Service in Canada	26,787
Service in theatre of war	103,965
	<u>130,752</u>

NOTE.—In a number of cases entitlement is conceded for more than one condition, therefore, the actual number of disability pensioners, 80,196, is practically 60% or the number of favourable decisions rendered.

An analysis of the figures giving the basis of entitlement follows:

SERVICE IN CANADA

Decisions granting full entitlement	19,913
Decisions granting entitlement for a pre-enlistment condition and pensionable for the degree of aggravation ..	6,874
Total decisions	<u>26,787</u>

These represent about 16,500 pensioners, being approximately 60% of that total.

SERVICE IN A THEATRE OF WAR

Decisions granting full entitlement	90,832
Decisions under Section 11 (1) (c) for disabilities ruled by the Commission as or pre-enlistment origin.	
Decisions granting entitlement with no deduction	3,165
Decisions ruled wilfully concealed	3,515
Decisions ruled as obvious	788
Decisions ruled as recorded	5,665
Total decisions	<u>103,965</u>

This represents about 63,500 pensioners, being approximately 60% of that total. It follows that in the case of approximately 2,100 pensioners the Commission has ruled a condition to be pre-enlistment, wilfully concealed, and pensioned for the degree of service aggravation.

During the calendar year 1947 the commission rendered approximately 306 decisions that the condition claimed for was wilfully and deliberately concealed. During that same period 21,463 favourable initial decisions were rendered and these covered 31,364 disabilities.

By Mr. Brooks:

Q. May I just ask a question. Do I understand that the 130,752 decisions are not individual decisions but are cases where possibly one man may have three or four disabilities? My point is that the 130,752 does not mean that there were 130,752 individual men.—A. Yes, that is correct. In a number of cases entitlement is conceded for more than one condition.

By Mr. Jutras:

Q. What does the figure 3,165 mean?—A. Decisions granting entitlement with no deduction. That was a pre-enlistment condition in the opinion of the commission, in which they ruled it was neither wilfully concealed nor was it obvious, nor was it recorded, but in their opinion, was of pre-enlistment origin and they said all right: in this case, we consider neither of these three circumstances applies, and you are pensioned for the entire, as provided in 11-1-C of the Act.

By Mr. Blair:

Q. In that last figure you gave, 21,463, that may not have meant complete entitlement: some of them might have been a percentage of aggravation?—A. That is quite correct.

By Mr. Jutras:

Q. As to the section wilfully and deliberately concealed, I would like the chairman to show me any cases where this section actually means anything. Take, for instance, the case histories presented by the Legion. They invariably go back to the records, because, if it is wilfully concealed, then the commission has to find some place, somewhere in the history, in order to prove that it was pre-enlistment; and before they can establish it as wilfully concealed, they have got to establish that it is either obvious or recorded.

For instance, take the first case history presented by the Legion. The commission ruled—and out of respect to the medical lore of Dr. Blair, I won't mention the technical terms,—that it was a pre-enlistment condition, wilfully and deliberately concealed, prior to enlistment. Now the specialist who made the examination noted that the patient had had ear trouble as a child and that it recurred again in 1945. I presume they had a record of it and it became a recorded case. So, if we just take off wilfully and deliberately concealed on examination prior to enlistment, it is just a pre-enlistment condition aggravated, and there is actually no change in the situation at all.

Take the other case history, it says: Decision of the commission; there again the commission found a record by which they established that it may have existed before it became a pre-enlistment condition; yet the commission have ruled the same thing; the ulcer was a pre-enlistment condition aggravated. So the situation is not changed, and the same thing goes for all the other cases.

How can the commission establish that it was wilfully concealed unless they can find a record somewhere? And if they do find a record, then does not section C take care of the situation? I do not see what section A actually does there, or how it helps anybody.

MR. WHITE: You are not suggesting, Mr. Jutras, are you, that any evidence given by a soldier of some ailment before his enlistment should be taken by the commission as the cause of that condition, are you?

MR. JUTRAS: I am not suggesting anything. I am just pointing out apparently that is what was done; and if they must establish pre-enlistment, in establishing under section A, in establishing the fact that it is wilfully and deliberately concealed, that is the only way they can do it, to refer to what he said or to find some record.

MR. WHITE: I think you are overlooking a very important point. How can the medical men of the Pension Commission say that because you had something in 1935 it is now the cause of your disability in 1945? I do not see how the Pension Commission or anybody can do that.

MR. BLAIR: In regard to that case, all it says on his record is that he had had a pain. There was nothing about an ulcer at all; but the Pension Commission assumed that he had an ulcer and dealt with it that way.

Mr. MELVILLE: I sat down because I anticipated the clock striking one. But I should be very pleased to quote, when we meet this afternoon, the basis on which we rule "deliberately and wilfully concealed".

The CHAIRMAN: We shall now adjourn until four o'clock this afternoon.

The committee adjourned at 1 p.m. to meet again today at 4 p.m.

AFTERNOON SESSION

The committee resumed at 4 p.m.

The CHAIRMAN: Gentlemen, there is one matter I want to mention before we continue from where we left off this morning and that is this: I mentioned that there was going to be a trip to inspect our ordnance depot and I asked what members wished to go. I can now say that the cars will be at the front door at 10 o'clock and you are invited to go to the extent of the accommodation of the vehicles.

When the committee rose the chairman of the Pension Committee was about to answer a point which had been raised by Mr. Jutras. Brigadier Melville, will you continue from there?

Brigadier J. L. Melville, Chairman, Canadian Pension Commission, recalled:

The WITNESS: Mr. Chairman and gentlemen, the point raised by Mr. Jutras is being looked into. I am getting the file and will have more information, and probably there will be some discussion along the principle involved which he brought up. But I would like to complete my answers to questions that were asked by Mr. White. To do so I shall quote what is required by the commission to support a finding of wilfully and deliberately concealed within the meaning of 11(1)(c) of the Pension Act. There should be evidence, first, that the individual concerned has definite knowledge of a disabling condition prior to his enlistment; second, that at the time of enlistment he had such condition in his mind; third, that he denied the previous existence of such disabling condition for the purpose of obtaining admission to the forces from which he might have been rejected if he had not made such denial.

The other question was with respect to recorded on medical examination prior to enlistment:

11-1(c). The commission are unanimous in their opinion that for the purposes of section 11-1(c) of the Act, record of medical examination prior to enlistment will mean,—

- (1) Examination of the recruit on enlistment.
- (2) Recorded examination during any former period of service.
- (3) Record of examination by a private physician or hospital, prior to enlistment.
- (4) Departmental records prior to enlistment.
- (5) Records of medical reports from compensation boards, insurance companies, etc., prior to enlistment.

Now, gentlemen, in the discussion which developed certain cases were brought forward. Five of those were cases submitted by the Canadian Legion and I have no intention to argue or develop the discussion with regard to each case unless it is so desired, because I have prepared, and there is on the record a statement by the commission with respect to each case. In that statement

we have given the facts before the commission when the decision was rendered. I could speak of one right now. Mention was made of a case where the member of the forces had complained of earache when he was a child. Had that been the only evidence, the decision rendered by the commission might have been very strange, but there is a letter from the member of the forces concerned in which he states in part: "Even though from childhood to the age of twenty-nine the only ear trouble I can remember is having an ear syringed when I was called for an O.C.T.U. interview in June 1942. . . ." That man enlisted in October, 1942. "When I saw the doctor in Bathurst he told me I needed an ear syringed which I could get in Saint John." That, gentlemen, is part of the official record, something more than an earache in childhood.

Mention was made of another claim wherein history was given during service of some pre-enlistment injury to the back. The situation is this: that history is given of a pre-enlistment injury and it is necessary for the commission, if they consider it advisable, to carry out further inquiries. Now, we have carried out inquiries in cases very similar to the one mentioned, and as a result of those inquiries we have found out that compensation has been awarded for that injury from the Workmen's Compensation Board and no mention whatsoever was made at the time of enlistment. The decision given by the commission is on the record available at the time the decision was rendered, and allows of certain benefits: (a) if entitlement is conceded in whole or in part the member of the forces is entitled to treatment with compensation at any time for that disability; (b) if there is an assessable degree of disability he is entitled and receives an award of pension; (c) the decision which he receives is an initial decision; he is advised of his right to go ahead, and on the presentation of new evidence to resubmit his claim either with the help of the Veterans' Bureau or a veterans' organization or his own advocate, and he may renew the claim as often as he desires; or eventually he may go to appeal. On the evidence before the commission at the time the decision is rendered is the basis on which these decisions are made.

By Mr. White:

Q. Would you mind reading those three clauses that you gave us again—the clauses with regard to wilful concealment?—A. Yes, indeed:

To support a finding of wilful and deliberate concealment within the meaning of section 11-1(c) of the Pension Act, there should be evidence:

1. That the individual concerned had definite knowledge of a disabling condition prior to his enlistment.
2. That at the time of enlistment he had such condition in his mind.
3. That he denied the previous existence of such disabling condition for the purpose of obtaining admission to the forces from which he might have been rejected if he had not made such denial.

Q. Well, Brigadier Melville, I wonder if you would comment on how you apply these three things. Having in mind section 62 which gives the benefit of the doubt I do not know how the commission is going to decide what is in any man's mind or how you are going to tell that this man had any knowledge of his condition, or how you are going to find that he wilfully concealed it, having in mind that he is also to have the benefit of the doubt. I would like the chairman to comment on the practice they follow.—A. I shall be very pleased to, Mr. White. First of all, we must come back to World War I. When a man was examined for service in World War I there were two questions asked: Have you ever suffered from insanity; or from incontinence of urine—that is irregularity.

In World War II the situation was very different and the recruit on enlistment was asked a number of questions with regard to his physical condition. The certificate of medical examination requires urinalysis and there is an elaborate history.

Have you now or did you ever have any of the following diseases?

(a) Eye trouble; (b) Nose, throat, sinus or ear trouble.

Section 25 is the physical examination of the medical officers who are required to indicate negative or positive findings. And then it calls for examination on vision, hearing, ear drums, nose, throat, sinuses, and remarks and diagnosis. 24 continues: any broken bones and injuries, head injuries, spinal and foot trouble, operations, ruptures, kidney or bladder trouble, gonorrhoea, varicose veins, haemorrhoids, rheumatism or joint trouble. And then section 26: cranium, spine, extremities, hernia, genito-urinary, rectum, varicose veins, feet, abdominal, remarks and diagnosis. And then section 24, continues: tuberculosis, bronchitis or other lung trouble, asthma or hay fever, heart disease, rheumatic fever, kidney disease, stomach, bowel or rectal trouble, diabetes, goitre, syphilis, fits or fainting, and nervous disorders. And then (y) says, "Have you been in the active army in this war?"

Mr. PEARKES: Is that a disease?

The WITNESS: The point is that on enlistment in World War II a great series of questions were asked of each recruit, and his answers were recorded.

Later on during service that member of the forces may have reported sick and he went to the M.I.R. or probably to the field ambulance or the casualty clearing station or general hospital, as the case may be, and when he was there his claim or his case was dealt with by the doctor, and that doctor sat down and went over his case with him. The first question or the first thing in the practice of medicine as I understand is to endeavour to arrive at a diagnosis. The diagnosis is based on symptoms. Therefore he gets the history from his patient. "What have you suffered from?" Now, take the case of a man who had an accident in 1937 when he was hit by a log or something and hurt his back. He may give not very much history or he may give considerable history. The commission when they come to consider the case and in the light of opinions expressed by their medical advisers have to determine whether or not that pre-enlistment condition which he mentioned and which is recorded on his service documentation—whether it was pre-enlistment in origin, and if so was it aggravated during service, and if it was aggravated during service was that wilfully concealed, was it obvious or was it recorded?

Mr. QUELCH: If the words "wilfully concealed" were alone, the commission would feel under an obligation to do everything possible to find whether or not it had been recorded prior to enlistment, would they not?

The WITNESS: I find it very hard to say what we would do if this section were amended. I have a number of cases. I could quote a few as type cases for the information of members of the committee, where we have pensioned for the entire pre-enlistment condition; cases where we have ruled wilfully concealed; and others in which we have ruled obvious and some recorded. If you wish any of these type cases I shall be glad to quote from actual ones. I drew a few files and I have made a precis of them myself.

The CHAIRMAN: Would it be the desire of the committee in order that we might enter into the consideration fully that we have some type cases? If it will help the committee I will ask the chairman to indicate the method of procedure.

Mr. LENNARD: I do not think it would help us very much; it is the principle that counts.

The CHAIRMAN: Principles do not amount to very much until they begin to be applied. What we are complaining about is partial application. However, I am in the hands of the committee.

Mr. JUTRAS: I think we should have cases.

Mr. QUELCH: Is it not the interpretation we are complaining about? Would Brigadier Melville absolutely deny that they have ever interpreted wilfully concealed as being not disclosed?

The CHAIRMAN: Your memory is embarrassing, because we spent a week on that in 1946.

Mr. QUELCH: That was brought out in 1946. You said very definitely that the commission did not interpret this as merely not disclosed; always as wilfully concealed. That is that the person had deliberately withheld knowledge at that time. So that being the case it is a question of interpretation.

The WITNESS: It might be an interpretation, gentlemen, yes. I think the facts are as you have stated them, Mr. Quelch, and the question was asked also: Was I of the opinion that it was not disclosed because he wanted to get a pension eventually and I stated emphatically no: Any failure to disclose on his part was with a desire to give service and be accepted for service, not for pension.

Mr. QUELCH: Ever since we have been in this committee we have been going around in circles on this question. Section 11-1(c) has always been under fire. The insurance principle was under fire until the government reinstated it. In 1938 the special committee was appointed. I remember Dr. Bruce was on it—

The CHAIRMAN: 1941.

Mr. QUELCH: Yes, 1941. And as a result we recommended the striking out of the words "congenital defect." That, apparently, did not have any effect upon the section. Nobody seemed to think that much benefit had been obtained. In 1946 the committee recommended that we strike out the words "wilfully concealed". We had a draft bill and were able to amend the draft bill, but in the final analysis the minister refused to accept the amendment, with the result that certain other changes were made. The word "deliberately" was inserted in section 11-1(c). Also section 62 was amended.

I would like to ask Mr. Melville if he considers these changes we made in 1946 had any effect whatsoever on the interpretation of either of these clauses?

The WITNESS: The answer is yes. I have been in many, many discussions in the board room when this question arose: Was this condition of pre-enlistment origin? The answer to that has been yes. If so, was it wilfully or deliberately concealed? And we have said, Well, we must determine that because we must state in our decision that it was; but if we did so state we must satisfy ourselves that the decision is correct on the basis of the evidence now before us. It has had a very material effect. There were 301 decisions. Less than that actual number of decisions were rendered in 1947 that a condition was wilfully and deliberately concealed out of over 30,000 decisions.

Mr. TIMMINS: Mr. Chairman, this is my first year in the committee and I do not propose to take up much time; but I am glad that I have a chance to be on the committee and to bring up this matter which has bothered me for a long time. I should like to quote a case for the purpose of using it in respect of the matter of interpretation.

The CHAIRMAN: In referring to the case will you leave out all identification?

Mr. TIMMINS: This gentleman, whom I shall call Sergeant E, served overseas in the first great war and then he enlisted in 1940 in the second great war and his service continued until February 10, 1943, when he was discharged. Following that he applied for a pension, after he had gone back into civilian

life, and he was granted a pension, his disability being assessed at 30 per cent, subject to two and two-fifths reduction for concealment of a pre-enlistment condition.

After that, the matter was taken up with the department and I received a letter from the department dated May 27, 1947, and I would like to quote from this letter, again on this question of interpretation. Part of the letter reads as follows:

The most serious concern of yours is with regard to the fact the commission ruled his condition to be a pre-enlistment one, wilfully concealed on enlistment. Again the commission is governed by the provisions of the Pension Act and, in this instance, it is contained in Section 11(1)(c). Needless to say, the commission hesitates to use the term and only does so when there is definite evidence on record to support their action. In the case of Sgt. "E", the records show he went to England in November 1941, and in May 1942, a specialist's examination indicated: "Chest shows limited expansion throughout, likely due to peri-bronchial fibrosis that has resulted from years of chronic bronchitis". At that time he personally gave a history: "Cough and sputum have been of years' duration, probably since last war". Later on the report contains this history which he gave: "In Canada he has always done sedentary work (chartered accountant) and for past 10-15 years he has had frequent chestcolds each winter with more or less continuous cough and sputum particularly at night and on rising in the morning. Since coming to England (Nov. 41) he has had more chest trouble.

The commission obviously could not ignore this pre-enlistment history which he did not give at the time of his attestation although asked if he had suffered from any chest trouble.

Then I would quote from a letter received by me from the soldier in which he said:

... I showed them a letter from Mr. George Lascelles, Finance Commissioner, Toronto City Hall, certifying that I had never lost a day's employment through illness.

I also strongly protested the use of the term "wilful concealment", and the chairman asserted that it was quite possible I wasn't aware of my condition, but that it was very difficult to find a word which would cover the situation.

Mr. Chairman, and Gentlemen, I think that is just, perhaps the crux of the matter; that it is rather difficult to find a word that covers the situation. My thought, in reading these two extracts from these two letters, is to suggest that it is about time now that we do away with—what shall I call it—haziness about this matter, and we try to bring it to a finality.

According to this letter from this soldier, the chairman admitted that he might not have been aware that he had this condition. We are all of us subject to colds. Some of us get colds which stay with us longer than they do with others. At the same time we probably do not know that we have a real chest condition. And this man was fit to be taken on the strength and he served for some three years. So I think that he had every reason to believe that he was a fit person when he joined the army. I think that the words "wilful concealment" are unfortunate, and that it is up to us to change them.

I think we should have a subcommittee appointed to deal with it, with a few doctors on that subcommittee, and to bring in a report.

The CHAIRMAN: I should like to say that for twenty-nine years successive committees have been looking for a formula which will be acceptable. The question is so complicated. The whole question is complicated by the fact that most

of us wifully conceal something about our history, and, frankly, we lie about it in order to be received into the services. That was a commendable thing.

I can remember being told that what nobody knew would not hurt anybody; but in view of that language, I feel it is a question which we have to consider.

As to Mr. Timmins' suggestion for a special committee to look into the matter, when we came to consider it again I did call the attention of the steering committee to such a committee, whether or not it would be an advantage to appoint a subcommittee to look into this whole matter.

Your predecessor on this committee, Mr. Green, Mr. Timmins, was a member of the steering committee and I think almost everyone on the steering committee felt that we could not accomplish a great deal by setting up a subcommittee. I think the steering committee was almost unanimous against doing so, and that we could just hope to put our views with respect to the matter on the record because we are not in the position of being able to change this specific Act, but to deliberate it in a large committee and exchange views with the officials.

After all, we are only in the position of recommending that consideration be given to a change. While a great deal of weight is given to the decisions of these previous committees—the committee might almost claim to be the author of much of our veterans' legislation in its present form—I am doubtful, speaking from the chair, whether any good purpose would be served by setting up a subcommittee. In any case, the steering committee rejected it, and I think the committee as a whole concurred with the steering committee's report previously. Unless there is some desire, I would not favour the setting up of such a committee at this time.

It has been the subject of exhaustive consideration. I know I have changed my own opinion a good many times since 1936. I think that is probably the position with most of the committee.

MR. BLAIR: I do not want to tire the committee about this, but I had something to do with this at the time of the McCann Commission. At that time we had an opportunity to go over a great many files, and, as I said this morning, the benefit of the doubt clause was tied in with this, to a large degree.

I would refer you to page 7 of the McCann Commission. That commission was headed by Dr. McCann who was the chairman and I was one of the members along with Dr. McGarry and Mr. Probe. The McCann Commission report on page 7 reads as follows:

This commission is of the opinion that the Canadian Pension Commission has not in all of these six cases invoked to the fullest extent the "benefit of the doubt" clause in dealing with this particular type of case.

Now, in going over those cases in the file, we find the type of thing which was read by Mr. Timmins. For example, one specialist, a departmental specialist would report, and the report would read: "not definitely that the man had ear trouble when he was a child"; for instance, "it could be that the etiology was doubtful"; or, "it was probably due:" and in the case that Mr. Timmins read: "was likely due."

Yet, in view of four indefinite statements: "it could be"; "the etiology was doubtful"; "it was probably due"; or, in the case Mr. Timmins mentioned, "it is likely due", the Pension Commission rule positively.

You remember the argument when we were talking down there one day and the matter was brought up and the suggestion was made, from the standpoint of the Canadian Pension Commission, that "probably" meant "possibly"; and when could "probably" mean something "positively so"?

Now, in these cases, the man has to come back, as Brigadier Melville has said, and produce new evidence. He may submit fresh evidence. It is a pretty difficult thing for any man to bring in fresh evidence. But here you had a ruling.

in one of those cases this morning, where the Toronto General hospital's X-ray department positively said the man did not have a duodenal ulcer but the doctors evidently advised the commission that he must have had an ulcer, therefore we are going to rule in that way.

The CHAIRMAN: May I interrupt you? You said that the doctors evidently ruled "that he must have had"?

Mr. BLAIR: Yes.

The CHAIRMAN: May I interrupt you for information? You said the doctors evidently advised the commission.

Mr. BLAIR: Yes.

The CHAIRMAN: Then are you of the opinion, as a medical man, that after the lapse of such an interval of time the doctors could, with any degree of definiteness so rule?

Mr. BLAIR: No, I do not think they could. They said in 1935 he did not have an ulcer.

The CHAIRMAN: The X-ray said so.

Mr. BLAIR: Yes. Now, you come to this: in regard to an examination by a doctor or at a hospital prior to enlistment, I say that in the case of that man, where they ruled he had an ulcer, they went directly against the thing they are supposed to do, insofar as the evidence is concerned, and insofar as the questions which were asked upon the man's enlistment.

I was present at a medical board where they were recruiting a battalion. Many of those records came to us filled in by the adjutant because they were rushing these men through; and when we received that sheet, the adjutant had filled it in, as many of these men did not know those terms.

So I am concerned about the interpretation of this thing. That is the big thing and I think we should fight it out in this committee. I think there is injustice being done to the men. The fact concerns me more than ever that in ten per cent of the cases we saw on the McCann Commission, we ruled that we were not in favour of the finding of the pension board.

Mr. BAKER: Mr. Chairman, I took a stand on this matter in 1946 and have not changed my attitude. I think that "wilfully and deliberately" must be left in there in order to cover very definite cases of wilful and deliberate concealment.

I agree with Dr. Blair. I think every possible interpretation should be given to the "benefit of the doubt" clause. But I do not think we would gain anything by taking out "wilfully and deliberately concealed". This has been a bone of contention and we have not been able to arrive at any different phraseology; but until we do, I would suggest that we leave this as it is and apply the broadest possible latitude in view of the doubt, as Dr. Blair stated. I am rather in agreement with him.

Mr. McKAY: In reference to this broad interpretation, could Brigadier Melville give us any record of the number of applications for pension which have been turned down because the individual concerned wilfully failed to disclose the disability prior to enlistment.

The CHAIRMAN: We got those figures this morning.

Mr. McKAY: Yes. I did not hear them and I would like to know what they are.

Brigadier MELVILLE: The number of decisions rendered is 3,500. They were rendered by the commission since the outbreak of war which means, approximately, 2,100 individuals. That is, in respect to world war II.

By Mr. McKay:

Q. What are the total figures for both wars?—A. There were very few in World War I, because the basis in that case was entirely different.

By Mr. Jutras:

Q. Would the difficulty be removed if the commission only ruled "wilfully or deliberately concealed" in cases where they have positive proof of it?

As Dr. Blair has pointed out—and I have had some cases along the same line too—in many cases the commission is more or less forced to follow their medical opinion. I imagine they submit the case to a specialist and he says: in my opinion it is such a thing. The chances are the commission will have to rule more or less that it is. But after all, it is only a man's opinion; and we have proved that medical men can be wrong.

Mr. BLAIR: Far from it!

Mr. JUTRAS: We saw cases which were missed by the doctors upon enlistment. Now, I think the best way to settle the whole thing would be if the commission would only rule as to its wilfull and deliberate when they have definite proof and leave out all the cases in which there is doubt. I still submit, with all due deference to the medical profession, that medical opinion is still an opinion and nothing more.

I personally know of a case where I am still convinced that the medical specialist made a mistake. Of course, I cannot prove it and the veteran cannot prove it, and I do not suppose anybody can.

As we all know, when a medical man gives an opinion, it is not debatable. It is his opinion and you can take it or leave it, if you are not satisfied. But is there any way by which the commission could act along those lines and just rule in cases where they are definitely sure, where they have proof. Otherwise, let them give the benefit of the doubt.

Mr. BLAIR: I quite agree with you, Mr. Jutras; but the point is this: what I object to is the Pension Commission's ruling on these cases where there is a doubt: "could be", "probably", "likely", and that sort of thing. I would be quite agreeable. I still think that the medical people are not infallible. But where a specialist in good standing says, that this was so, there I would agree, and that would be perfectly all right. But I would be opposed to the commission ruling where a specialist say: "it is probably due to such and such a thing".

Brigadier MELVILLE: In reply to Mr. Jutras, the commission must be guided to a very great extent, by the definite concrete data of medical science. There is no doubt about that and it has been proven down through the years. That is a factor, but it is not the sole factor of the case.

Now I would like to refer to the case which Dr. Blair has spoken about, not in any contentious manner, but to give you the facts with respect to that particular case, that of the man with the duodenal ulcer, who was ex-rayed at the Toronto General hospital. That case was referred to our attention by the Canadian Legion, and the applicant says:

In April 1932, as near as I can recollect, my stomach was inclined to be sore and I paid a visit to Dr. C. G. Bryan. He suggested an x-ray and I went to the Out-Patient department, Toronto General Hospital and was told that it was an ulcer; was given a printed sheet listing foods I should not eat." The Toronto General Hospital in a letter dated March 9, 1946, reports that the applicant consulted in 1935 at the out-patient department. He gave a two year period of pain in the upper abdomen occurring 1½ to 2 hours after meals. X-ray examination was negative for duodenal ulcer.

That was the statement made by the man. The commission must be governed by the Act and is subject to the provisions of section 11, which says that pensions for disability shall be awarded or continued in accordance with the extent of the disability resulting from the injury, disease, or aggravation thereof, as the case may be, of the applicant.

The commission, dealt with this particular case and, as evidenced from the statement by the man himself, he was in the Toronto General Hospital pre-enlistment and he had stomach distress for two years, and was x-rayed and it did not reveal a duodenal ulcer at that time; but during service, he has the same history, the same complaint; and upon examination at that time the duodenal ulcer is diagnosed. That, in our opinion, is the disability resulting from a disease of pre-enlistment origin. That is the approach of the commission to that particular claim. I am trying to set clearly before this committee the approach to the claim.

By Mr. Cruickshank:

Q. Would you make any allowance if the man attended the Press Gallery dinner?—A. For two years, Mr. Cruickshank?

Mr. BENTLEY: I would like to say a word about something that has not yet been touched upon. I am not blaming the Pension Commission at all, but the law itself is bad.

When a war breaks out between our country and another country, government agencies, private agencies and the public generally carry on a terrific propaganda campaign trying to induce young men to enlist and to do their bit.

I well remember when I went into Edmonton to join up, for the first great war. Most of us were workers in overalls. Maybe we were a bit boisterous, but with the idea of this stirring adventure, mixed possibly, with some patriotism, we all got into a big room where the recruiting was being held. I was not told, and I never heard of any recruit who was told, when he was asked if there was anything wrong with him, that this piece of law would be brought up against him. In fact, it was not in existence then. So, if one or two of the fellows, when they got in there, told the truth, the rest of us would be inclined to laugh and to say to them: you were big shots when you came down to join; but now you are getting cold feet and trying to slip out. You are yellow bums, and all kinds of expressions like that, according to the nature of the individual using them.

These are important things to remember. Girls used to pass out white feathers on the streets; and a young man in civilian clothes at a dance in those days would be likely to overhear whispers passing around. Even the preachers were not immune from casting remarks of that particular type at people: what is a young fellow like you doing here? You look pretty husky to me? A lot of people possibly concealed something wrong in order to escape that; while others did it because they felt it was the right thing to do. They wanted to go.

A fellow walked all the way in from Athabasca to Edmonton and he was turned down for having flat feet—after walking all that distance. But he knew he had flat feet.

The CHAIRMAN: And he walked back, too.

Mr. BENTLEY: We are talking about cold-bloodedness. We are forgetting what people are like in their natures and we are forgetting the type of inducement, the type of encouragement they were getting to do this kind of thing. And the same thing happened in this war. I went up to Saskatoon to join up and I went through my medical examination. They could not seem to find anything wrong with me and they would have taken me except that my birth certificate did not have the right date on it. I was too old.

I remember, quite well, pictures in the newspapers and interviews with army officers about going out and inspecting the troops, new troops who had just joined up; of a Brigadier General going down the line and saying to a chap who had been in his company in World War I, when the Brigadier was a Captain, saying: How old are you Bill? Aren't you pretty old? And Bill saying: I am

twenty-seven, sir, and I was passed up. These things are overlooked. Somebody might have known that the man had a stomach ulcer at some time, but would have praised him for concealing that evidence because he would have been regarded as a hero.

Then, during the time that they were recruiting for the second World War, there is no case I ever heard of when they said, at the time of enlistment, if you conceal anything, that it would be used against you, if for any reason you applied for a pension, after your discharge, from this board. They were not told those things. You have either to change this law and take out the stigma of those words or we must change the whole method of propaganda when we are asking for recruits. We have heard a lot about the armed services in the House of Commons in the last few months. If our armed services are going to be depended upon and be brought up to strength as the minister has indicated in the House, this provision must be eliminated. If it is not eliminated then we are going to have a darned small army, no air force and no navy. If we are going to ask people to serve the country in our forces with the risks involved, with the medical service and knowledge available at the present time, it should be possible for us to say to those young fellows we are going to examine you thoroughly. If you are found by that examination to be fit then once you are accepted that in fact is your actual condition on enlistment, and any deterioration from that condition will be pensionable at the end of your service. That is the only answer to the question. If we are not prepared to do that we are going to subject a lot of people to being accused of wilfully concealing something for a purpose which may have been a very grand and noble purpose at the time. This provision was only put in like a lot of other things when the war was over and when the boys were not needed any more. Admittedly perhaps it was to catch those in every army—the lead swingers—but there is a British law which is a better one and it says that ninety-nine guilty persons should go free rather than one innocent man should be convicted. We believe in the same thing here. Just because there might be two or three thousand lead swingers getting something they should not get we put in these words. It would be far better if we protected those who were perfectly honest and noble in concealing something. Perhaps they were ignorant and they did not know of a disability. It is far better to let the lead swingers get something than that the honest people should go without. I think it is time that we should deal with the section on that basis. I am not blaming the commission and I think the commission which has been set up by law has been acting to the best of its ability. I believe this commission does extremely well under the law with which it has to work. However, I say that it is a bad law, and should be removed so no one will have to refer to it, neither this commission nor its successors.

The CHAIRMAN: There is just one point on which I would remark. I take it what you are advocating at one point is the system of "fit for service, fit for pension", as it is sometimes called.

Mr. BENTLEY: Right.

The CHAIRMAN: That principle is not accepted in any country. I would also say it is not wholly applicable to Canadian enlistments in the second world war for the reason that after July 1942 we did away with the old classifications of A1 and so on. We then introduced the Pulhems system. We did enlist for service in Canada medical categories on the Pulhems scale lower than those we selected for service in the field. For instance under a certain regulation we did admit men unfit for service in the field who were fit for service in England. Another group enlisted was fit for lines of communication. Most of those people had a well-known and recognized deficiency and they were not what we called 1 across the board—that is A category people. Adoption of the principle which has not been adopted anywhere—fit for service, fit for

pension—would mean looking into every individual case and it would still be necessary for someone to assess the definite degree of disability with which a man came into the service. Large numbers were enlisted for service in Canada and they are eligible under the insurance system for aggravated pensions, but it has never been possible or even desirable to adopt the broad principle that if a man was fit to be accepted and any disability showed up afterwards he should be pensionable. I remember a case in connection with one of those forms about which the Brigadier spoke a little while ago where the man is asked questions about his health. A particular man early in the war said “yes” to everyone of the twenty-four questions. He was subsequently passed by the medical board but he was one of the last sixteen thousand to be sent overseas. Against that case I know of a young Jewish lad from Montreal who managed to get a commission—earned a commission as far as that is concerned—and he concealed successfully for four or five months in Canada a bleeding ulcer. He lived “out” and managed to get along by eating his own food. When he got to England I saw him and he still had his bleeding ulcer. He was then on the way to France. His case was the result of his personal characteristics, and he had two views. He had brought a great number of men into the army and he was determined to go with them; he also considered that the finger had been pointed somewhat towards his race and group in the city of Montreal and he was doing his part to show up that injustice. You will always have that type of chap and there must be some way of dealing with his case without opening the way to fraud. Both cases may be in numbers infinitesimal but they are the two extremes. I believe that Mr. Bentley is looking for a happy medium.

MR. BENTLEY: When I replied to you that I believed the principle “fit for service, fit for pension” I meant what I said, but not in the way which you have described. I recognized that the categories were changed and that people were taken in for different types of service, but what I said was to the effect that it does not matter whether a man is taken in for front line service or back area service. If his condition indicates he was only fit for such service then that is his condition. He is pensionable if there is any aggravation of that condition. If he was 50 per cent fit and if there is a deterioration of his condition he is then pensionable. If he is 25 per cent fit but his condition deteriorates then he is pensionable.

MR. TIMMINS: Mr. Chairman, I bow to the wisdom of those who have been on this committee for some time but I was interested in the remarks of Mr. Baker who said that he had been convinced, as far back as 1946, that these words in here could not be changed. I was going to suggest or advance an amendment to this section. My friend Mr. White has an amendment before you, but before you put that amendment, I would like to advance my own suggestion. In the case of Sergeant “E” to whom I referred a little while ago I left out one point. Sergeant “E” had an X-ray of his chest when he joined the army and the X-ray showed nothing. I suppose that would be a factor in respect to his position, but there was no pre-enlistment concealment of any defect. After he got to England and had been there for some time he had another X-ray. That was in 1943 and at that particular time some lung condition was found. The fact of the matter is that he had done everything which he possibly could when he joined the army. He was being fair and frank in respect to the information which he gave the enlistment officer. However, if the words “wilfully and deliberately concealed” are going to remain in the act I think there should be an amendment at the very end. My friend Mr. White has already an amendment before you and I am not interfering but I would like to advance the suggestion that this committee recommend that there be added at the end of section 11 (1) (c) “no deliberate concealment shall be decided against any member of the force unless wilful and deliberate concealment is established by definite proof”. I am

advancing that to cover other cases such as those which have been brought up by Dr. Blair. As a matter of fact decisions have been made against veterans in spite of the fact the members of the board were not sure. Some cases were "doubtful" and the case to which I referred was "probable". It seems to me this committee has got to do something this year to put teeth in the act to cover that point, if the committee is not in favour of the amendment which has been made by my friend Mr. White. If his amendment does not carry then I suggest you might deal with the one I have read.

The CHAIRMAN: There is a motion before the committee and there are two procedures open to you, Mr. Timmins. You might suggest an amendment to the amendment, or you might reserve your formal motion.

Mr. TIMMINS: As a new member I would rather reserve.

Mr. CRUICKSHANK: May I ask a question?

The CHAIRMAN: Yes.

Mr. CRUICKSHANK: We spent about two months discussing the act and two resolutions, one that there should be 33½ per cent increase and the other than there should be a 25 per cent increase. I have a whole armful of charts here but only Dr. Blair knows what they mean. We know, however, what a 25 per cent increase means, and we know what a 33 per cent increase means. Then we come along with a resolution—I am not saying it is right or wrong—which has been put forward by Mr. White. We have discussed it for sixty minutes and we should pass or reject it. For two months we did not know whether we wanted 25 per cent or 33½ per cent. As far as I am concerned I do not see why we should not vote on Mr. White's amendment and get on with the business of getting out the cheques. In respect to the new member all I would say is that he is relieving one of his friends who is away at Yale for a two months' vacation.

Some Hon. MEMBERS: No, no.

Mr. CRUICKSHANK: As far as I am concerned I am prepared to vote in favour of Mr. White's amendment and I say we should quit this stalling and talking.

Mr. BAKER: I think there is a lot of merit in the suggestion which Mr. Timmins has put forward. I think he has expressed it very well.

Mr. WHITE: The way the recommendation is worded it could not apply if my amendment is carried. The one thought is directly contrary to the other.

The CHAIRMAN: Gentlemen, the chair is in the hands of the committee of this question. I think perhaps it is unfair to the committee—and I do not think Mr. Cruickshank intends to be unfair—to have a suggestion that we are not attempting to do anything but that we are wasting time. I think that there is no other reason for the discussion but to fulfil the earnest desire of the members to help in a difficult situation. Mr. Timmins' notice of motion is wholly different from the amendment made by Mr. White and it would be difficult to put it as an amendment—even though it carried in its wording it implies failure of Mr. White's amendment to carry. We are here to discuss this specific matter and I have been hopeful that we could dispose of it today.

Some Hon. MEMBERS: Question, question.

The CHAIRMAN: I have not shut off anyone and neither have I encouraged anyone, but if there is any further discussion on the matter now is the time to have it.

Mr. LENNARD: Question.

The CHAIRMAN: When the discussion is concluded the chair will call for a vote.

The WITNESS: The commission not only needs but welcomes your help on this question, gentlemen. Apropos of the case discussed a few minutes ago

with respect to the duodenal ulcer, let us suppose that the record of that had appeared on service. We will suppose the man had a record on service of suffering two weeks' pain and distress. If he had been x-rayed whilst on service and no duodenal ulcer was reflected, three years after he was discharged he might claim for duodenal ulcer and there would be no doubt whatever as to what his position would be because the record would be pinned back to the distress suffered during service. What applies in one direction I say should apply in the opposite direction. We are not inconsistent with our policy.

Mr. BROOKS: I seconded Mr. White's motion although I have not spoken on it. I do not now intend to speak at length. I have listened to the arguments here and to some of the arguments which we have had for the past ten years. So far we have been unable to make a change. I agree with Mr. Cruickshank that we should take this motion now and deal with it like the Gordian knot, if I may refer back to the classics, and as we cannot seem to untie the knot we might just as well take our sword and cut it. If that does not work we may later be able to make an amendment and carry on from where we were. I think Mr. White's suggestion should be given approval. It is the recommendation of the Legion which has studied this matter very carefully and I am very much in favour of giving it a try and taking out the words which have been suggested—that is “wilfully or deliberately concealed, was obvious or was recorded on medical examination—” It might take time so I will not suggest that I read the American regulation here, but I think perhaps they get around it somewhat better than do we.

Some Hon. MEMBERS: Question.

Mr. DICKEY: As I read this section if it is amended taking out “deliberately or wilfully concealed—” and if the clause relating to the disability being recorded on medical examination remains, the situation will be that if a man went in for enlistment with a disability and wilfully did not disclose it he will be entitled to a pension not only for an aggravation but for the disability which was of pre-enlistment origin. On the other hand, the man who did come in and admit the situation but who was still enlisted will only be entitled to pension for the aggravation. Is that correct?

The WITNESS: What you have stated, Mr. Dickey, is absolutely correct. The man who comes in on enlistment and says “I have a certain condition” and such statement is on his attestation form, is considered to have a pre-enlistment disability, and he will be pensionable for service aggravation. I am not against the removal of those objectionable words but we want your help and advice.

Mr. BROOKS: Perhaps Mr. Blair could answer this, but I happened to be in the last war and noted how the men were examined. They were examined not once, but five or six times. Is it possible for a man to be examined, x-rayed, and to go through all the medical examinations, and yet the doctors would not be able to determine whether he had some condition?

Mr. LENNARD: I think they should accept him.

Mr. HERRIDGE: I do not think we will get much further by a discussion of this matter and I am all in favour of taking a vote and seeing how it works.

The CHAIRMAN: Before the vote is taken I should say that the motion before the committee is that moved by Mr. White in these words “that the committee recommend that the government consider the advisability of introducing an amendment to Bill 126, an act to amend the Pension Act, to provide that section 11 (1) (c) of the Pension Act be amended by striking out all words after the word “forces” in line 12 thereof.” Do you wish me to read the section as amended?

Some Hon. MEMBERS: Yes.

The CHAIRMAN: "No deduction shall be made from the degree of actual disability of any member of the forces, who has served in a theatre of actual war during World War I or during World War II, on account of any disability or disabling condition which existed in him prior to his period of service in either of the aforesaid wars: Provided that service by a member of the forces in a theatre of actual war may only be counted for the purposes of this paragraph when it has been rendered in the particular war with reference to service in which pension has been awarded: And further provided that no pension shall be paid for a disability or disabling condition which, at the time he became a member of the forces, was obvious on enlistment." I think the words "on enlistment" are redundant but if the amendment is accepted the law officers of the Crown will attend to the drafting.

Shall the amendment carry?

I declare the motion carried, and the vote was 12 to 8.

We now come to the question which was raised by the Canadian Legion in their brief and concerning which there has been a certain amount of discussion in the committee already. On a former occasion I did ask that the discussion be deferred until this time. I refer to the question of fractional assessment. We have already had from the chairman of the pension commission some indication as to how these fractional assessments arise. At the time that matter was previously under discussion, as I have stated, I asked that we defer it because I considered we might profitably receive a statement on the matter from the witness who is with us, the chairman of the commission.

The WITNESS: I will be very frank. This recommendation has been advanced by the Canadian Legion. It is the business of the Canadian Pension Commission to be up to date with everything respecting the Pension Act and they maintain and they try to keep so. They discuss at commission meetings any recommendations affecting the Act as a whole. In 1945—the winter of 1945-46—the commission had, as a result of meetings, prepared a number of suggestions, many of which were brought forward at the sessions of the special committee. One of the suggestions advanced by the commission was the very one which is now being brought forward by the Canadian Legion. It was originally advanced by the commission. I prepared a statement which I think has been incorporated in the minutes. We only need take one case because possibly it is the most important of all, and that is the case of class 12 pensioners. Schedule A of the Act shows that for an assessment from 45 to 49 per cent the pension shall be paid at 45. The same procedure applies in every other class. Frankly, that means that where there is one of these very odd cases, where the sum total is 49 per cent, the pension is paid at 45 per cent. In the event of death from a disability which was not attributable to service the widow would not be entitled to an award of pension because she is not in classes 1 to 11 inclusive. The Legion recommendation is to this effect, that class 11 should include assessments of 52, 51, 50, 49 and 48 per cent. In other words, 50 per cent is the bracket—the average on either side.

I must again make it clear that the commission itself never assesses disability at less than 5 per cent; always in multiples of 5; that is what the Act requires: and when we have some of these aggravation cases where we grant entitlement for one-fifth or two-fifths or three-fifths aggravation, when we have the sum total of other disability added to that and you get this odd fractional assessment. They do not arise in many cases. I have endeavoured for the benefit of this committee to arrive at some idea of the cost involved in this amendment to the Act. It is impossible to do that with any exactitude whatsoever; but I would say that a rough estimate would be approximately \$250,000. That is

the immediate increase in annual liability to give effect to the recommendations that have been advanced by the Canadian Legion.

The CHAIRMAN: Gentlemen, you know what the recommendation is and you have heard the explanation of how these unfortunate circumstances arise; you have been told approximately what is involved in rectifying this, what is your desire? There were two or three who spoke on this previously on our general discussions, and now is the opportunity for the committee to resolve itself as to its decision in the matter. Does the committee wish to urge that these fractional assessments be levelled out at the nearest multiple of five, or does the committee desire to leave it?

Mr. CRUICKSHANK: Did I understand the witness to say that the commission in this case are in accord with the recommendation of the Legion?

The CHAIRMAN: The commission are about three and a half years in advance.

Mr. CRUICKSHANK: Then, I move that the Legion recommendation be adopted.

Hon. Mr. GREGG: With regard to the increase which was mentioned by the chairman of the commission, would that be reflected to the pensioner or to his widow when he died, in the main? Where would the main reflection take place—in the beneficiary?

The WITNESS: The main beneficiary, the immediate beneficiary is the pensioner. The pensioner whose combined assessment, where he has an assessment that amounts to 79 per cent, would today be paid at 75 per cent. If this proposal carries he will be paid at 80 per cent. The potential is very important where the sum total does reach 47, 48 and 49 per cent, because under the proposal now, the widow of such pensioner, if he dies and death was not attributable to service—if this carries the widow will be within classes 1 to 11, because you are making class 11 something new. It is 48, 49, 50, 51 and 52 per cent. So you are adding a benefit to that class. The immediate beneficiary is the pensioner.

Mr. BENTLEY: May I ask Mr. Herwig a question? Did the Legion take into consideration these things mentioned by Mr. Melville when making this recommendation?

Mr. HERWIG: Yes. Some widows would be affected.

Mr. HERRIDGE: I do not want to hold up the debate. I can see that Mr. Cruickshank is anxious to have the vote, but I do say that after listening to the argument of the Legion and the remarks of Mr. Melville, and in considering my own experience, that this causes a great deal of dissatisfaction when a man gets a 49 per cent or a 79 per cent. I think the recommendation of the Legion is well worth supporting, and I intend to do so.

The CHAIRMAN: Is there any further discussion? Mr. Cruickshank, you did not give me your motion; you moved what was in the brief of the Legion.

Mr. CRUICKSHANK: You write it out.

The CHAIRMAN: Well, we will let our able clerk put it into words which are acceptable.

The WITNESS: While the clerk is drawing up the motion, I cannot resist saying a word for the commission. We keep away from assessments of 45; that is for a single condition. Sometimes the sum total reaches 45 where there is more than one condition. I would like to state the figure for World War I, which is 3,614 pensioners assessed at 40 per cent; 421 assessed at 45 per cent; 3,771 assessed for 50 per cent; for World War II, 3,280 assessed at 40 per cent; 407 assessed at 45 per cent; and 2,888 assessed at 50 per cent. So we have without doubt the interests of dependents at heart.

The CHAIRMAN: I would take a moment to point out that the Legion's representation as to the fifth thing, or section 26, as you will remember, was in

respect to gradations in rank for pensions. The committee have already dealt with the helplessness allowance and the differentials in rank. Those have already been dealt with by a resolution of this committee. As to the case of helplessness allowance—it has been intimated that our request will be granted, and that the others are still under active consideration.

So there remains no other representation to be considered by us, except with relation to the dead line which was introduced by the National Council.

Mr. Cruickshank has moved that the committee recommend that the government consider the advisability of introducing an amendment to Bill 126, to amend the Pensions Act, to amend schedule A to the Pensions Act to provide that fractional assessments be determined on a progression of five per cent except where disability is concerned.

All those in favour of the motion?

Mr. DICKEY: I am not sure that this is going to do what we want. As I understand it, it is not now the practice to assess anything but multiples; and that these fractional assessments relate their calculations with respect to aggravation—and what we are going to have to do is to recommend an amendment to the Act to provide that, when a calculation results in a pension of a fraction between some multiple of five, that it will be paid in a fraction less than half to the lower five, but more than half to the upper five.

The CHAIRMAN: At any rate, the intent is clear. This is just a draft and it will be amended in such a way if carried.

Mr. JUTRAS: Have we not got a suggested amendment already, Mr. Chairman.

The CHAIRMAN: No. That was on another point which we dealt with this morning. The chairman tells me that with a comparatively minor change in the wording, it can be made in this form to do what is required.

Mr. DICKEY: It is a question of principle.

The CHAIRMAN: I have been plagued by lawyers all my life. Let us get on with it now.

BRIGADIER MELVILLE: This has nothing to do with fractional assessments at all. This is an amendment to schedule A of the Pensions Act, whereby the classes are changed in accordance with something, and let us put it down.

The CHAIRMAN: The law officers of the committee branch will make that water-tight, if it is necessary. All those in favour will please rise?

All those contrary, if any?

I declare the motion carried.

Now, gentlemen, the next thing before the committee is the recommendation of the National Council which was made before us and it appears at page 6 of their brief, as follows:

(4) Recommendation:

That the April 1, 1944, deadline affecting widows, wives and children of the first Great War disabled should be removed.

Comment: Since these deadlines apply to the dependents, those who served in the first Great War and were disabled, and since the numbers affected have substantially dwindled, it is suggested that this economic restriction be now cleared.

I think, perhaps we should all dig in to a consideration and discussion of the removal of the date line at this point, with a statement from those who know, both from the standpoint of the administration and the standpoint of members to be benefited, and how to be benefited. Of course, the cost to the taxpayers—by the way, there is something—over 1,110,000 veterans are taxpayers. Sometimes I think we forget that.

BRIGADIER MELVILLE: Additional pension was payable on behalf of wives and children of disability pensioners. Back in 1933, when the Pensions Act was amended, with effect from the 1st of April, 1933; no additional pension was paid on behalf of wives, if the marriage took place on or after the first day of April of that year, or for children born subsequent to that date. That was the main provision anyway.

That continued in effect until 1944 when an Order in Council was passed and the deadline so-called of the first of April, 1933 was advanced to the first of May, 1944. That continued in effect until this committee met in 1946 when, by unanimous resolution of this committee, the effect of that Order in Council was incorporated, and the Pensions Act was amended accordingly and the deadline was advanced to the first day of May, 1944.

One added change resulted from a discussion which took place in the House of Commons, if I remember correctly, when Mr. Pearkes advanced the suggestion that the government make an amendment to the effect that where a child or children were born subsequent to the first day of May, 1944, of a marriage which took place prior to that date, additional pension should be paid on behalf of those children. Such an amendment was agreed to and that is the situation which is in effect today.

That applies to World War I only, so that no additional pension is paid on behalf of a wife if marriage took place after the first day of May, 1944, and no additional pension is payable on behalf of children of such a union, that is of a marriage after the first day of May, 1944. But if the marriage took place prior to the first day of May, 1944, then additional pension is payable on behalf of the children of the marriage. The estimated amount of increase in annual liability, to remove that deadline, since it only affects World War I cases, is \$60,220.

By Mr. Pearkes:

Q. Regarding World War II veterans, would you explain the situation there?—A. There is no restriction there.

Mr. CRUICKSHANK: If I remember correctly, in 1941, the chairman of the commission said it was only \$60,000. I am getting on in years, and if anybody thinks it is going to increase very much for World War I veterans. I move this be carried. Why should a veteran of my age be penalized, a veteran of the first war? It does not cost very much in my case. Why should any veteran be penalized? I do not think there should be any discussion whatsoever. I move that the deadline be eliminated.

Mr. PEARKE: I would like to second that.

The CHAIRMAN: Is there any further discussion? The committee recommends that the government be requested to amend the Pensions Act, section 32 and 32-A to remove the deadline of May 1, 1944, affecting widows, wives and children of the disabled veterans of the First Great War, that it should be removed. I am reading from this little note here, and it will be put in the form of a formal resolution.

Mr. BROOKS: Will that mean children adopted by pensioners?

The WITNESS: This states they will also receive the same benefits, subject to the statutory limitations.

The CHAIRMAN: We had a statement as to that this morning.

By Mr. Brooks:

Q. Perhaps the Brigadier could tell us?—A. It referred to additional pension on behalf of adopted children. It is governed by the provisions of the Act and I understand that was to be the subject of a separate discussion. Mr. Lennard wished to speak on it and probably some others.

Now, with regard to this particular recommendation, gentlemen, it affects the clauses which have been mentioned and it also affects clause 66 of the Pensions Act.

Q. What were the clauses again?

MR. PEARKES: Clause 32, 32-A and 32-(1)-(a).

BRIGADIER MELVILLE: And clause 66. I would be very pleased to sit down quietly and to consider what is required to meet the unanimous recommendation of the committee.

HON. MR. GREGG: Could you give us an estimate on the costs? I am thinking of some record which I read about the civil war? Have we any way of knowing whether there are very many bachelor pensioners standing up who might get themselves very young wives?

THE WITNESS: I would like to ask to be allowed to speak off the record, but there is no necessity. In the discussion which took place I mentioned that wives and children and, at the same time, widows would be affected by what you are doing now. There is a clause in the Pensions Act which is precautionary, shall I say. That is section 32, which is "Pensions for Deaths"; subsection (2);

(2) Subject as in this Act as otherwise provided, the widow of a member of the forces who was at the time of his death in receipt of a pension in any of the classes 1-11, inclusive, mentioned in Schedule A of this Act, shall be entitled to a pension as if he had died on service whether his death was attributable to his service or not,

(a) In the case of service during World War I, if she was married to him prior to the first day of May, 1944, and,

(i) the death of her husband has occurred more than one year subsequent to the date of marriage or,

(ii) the death of her husband has occurred less than one year subsequent to the date of marriage, the commission is of the opinion that he had at the date of such marriage a reasonable expectation of surviving for at least one year thereafter.

I think, Mr. Minister, that with respect to the point you ask about, there is, within the Act, provision against what has been referred to as a death-bed marriage.

THE CHAIRMAN: I now have a motion which is adequate to express the intent of the committee and I shall report it before it is tabled; and it will come back with exact wording. It is moved by Mr. Cruickshank that the committee recommend that the Pension Act be amended to remove the dead line from the first of May, 1944, affecting the widows, wives and children of pensioners of the First Great War.

All those in favour of the motion, please rise?

All those contrary, if any?

I declare the motion carried.

If nobody else can think of anything, perhaps we can get a resolution to end parliamentary committees forever.

There are no further matters respecting the Pension Act unless a member of the committee shall give us notice of intention. I would like a motion from the committee now empowering myself, if that is the case, to prepare a report encompassing our labours, and that will be the fifth report. And under those circumstances, I would desire to bring the report back to the committee of the whole; and it will be prepared, with the assistance of the steering committee, before tabling that report.

Mr. PEARKES: Together with a preamble, if there are no other matters; but I have some other matters to bring up.

Mr. LENNARD: Yes, and I have some other matters to bring up too. I do not feel that it should be done just now in the dying minutes of this committee meeting. We are going to meet on Thursday, are we not?

The CHAIRMAN: Thursday and Friday. But I would just like to have an expression of opinion for the purpose of getting something done.

Is it the opinion of the committee that the remaining matters touching on the Pensions Act can be dealt with at our Thursday morning session? No one is absolutely bound by that, but I would like to have an indication.

Mr. WRIGHT: Can we have a report from the deputy minister in regard to the cases brought up this morning?

The CHAIRMAN: He has promised to report, Mr. Wright, and Mr. Lennard has something he wanted considered. Is there anything else, so that we may know in order to have the opportunity to prepare the information?

Mr. PEARKES: My point is that Mr. Lennard will bring up the matter of the adopted children, but I want a discussion of section 31, as to whether that might not be extended to the widow. That section makes a provision for paying the funeral expenses of a veteran who had no money and is unable to pay; and I wanted to bring up the question of section 31 regarding the brothers and sisters who are dependents and why they would have to wait for the death of a veteran before a pension would be paid to them, if they are recognized as being dependents?

Then I want to bring up the question of temporary absence, whether something cannot be made more definite under section 45, regarding temporary absence.

Mr. HERRIDGE: What was that?

Mr. PEARKES: When the pension is stopped on account of temporary absence. We discussed that briefly the other day. It is section 45.

The CHAIRMAN: There was, I think, one other matter to which I should draw the attention of the committee, and that was reported by the National Council who raised again the question of substituting with respect to disability compensation. That expression disability compensation for pensions arises out of the fact that people regard almost any kind of money they get as being pension, whereas some of it is not strictly pension. If anyone wishes to make observation on that— it involves no change in principle, but a change in the wording which runs through all the legislation. Someone might care to express an opinion on that.

We have sat twice today. On Thursday morning we will meet again by which time we shall make an effort to clean up the pensions bill. The calendar is catching up on us and so is the House.

The only other thing I want to say is to remind you again there will be a coach at the front door tomorrow morning at ten o'clock if any of you care to make the trip.

The committee adjourned at 5.45 to meet again on Thursday, May 6, 1948.

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Committee on Veterans Affairs
Committee on, 1947/48

SESSION 1947-48
HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 15

THURSDAY, MAY 6, 1948

WITNESSES:

- Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman,
Canadian Pension Commission;
- Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pensions
Advocate, Department of Veterans Affairs.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1948

MINUTES OF PROCEEDINGS

THURSDAY, May 6, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Emmerson, Fulton, Gauthier (*Portneuf*), Gregg, Harris (*Grey-Bruce*), Herridge, Isnor, Langlois, Lennard, MacNaught, McKay, Marshall, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Winkler, Wright.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pensions Advocate, Department of Veterans Affairs.

Mr. Melville was recalled.

Various matters pertaining to the interpretation and administration of the Pension Act were discussed with Mr. Melville.

Mr. Conn was called and questioned.

Mr. Woods was recalled and furnished the Committee with information requested at a previous meeting respecting deduction from the veterans' pension while undergoing treatment under the Department of Veterans Affairs.

Dr. Blair moved:

That the Committee recommend that Section 62 of the Pension Act be amended by deleting the words *be entitled to draw and shall* in the fifth line thereof.

At 12.45 o'clock p.m. the Committee adjourned until Friday, May 7, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 6, 1948.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, let us come to order. When we rose at the afternoon sitting on Tuesday we had concluded the consideration of the various recommendations in the briefs which we had had, with one exception—I raised it before we rose—that was the recommendation of the National Council that they desired that this committee should consider the possibility of henceforth referring to disability pension as compensation rather than as pension. That, of course, arises out of the confusion in the mind of the public between pension for long service and old age and various other types of pension which are strictly pension and not compensation for disability. I just mention it; there was no discussion on it. Someone mentioned it involved no change other than that of procedure and practice. I promised those who were interested in the matter that I would mention it again. If there is any discussion on this matter this would be the time to have it. If not, then various members of the committee did say that they desired to speak to other clauses in the pension legislation in order that their views might be recorded with respect to them.

I think I could say this, that those of us who have been here for a long time could probably go back in our files and find some similarly meritorious case that had been denied pension because of every single clause in the Act. I know it is not the intention of the committee to begin dealing with the Pension Act in that way. However, if there is an opportunity it is now, for those who wish to say something further in the way of recording their opinions with respect to pension legislation.

It was the hope of the committee when we rose on Tuesday that we could conclude our discussion on pension legislation this morning.

Mr. BENTLEY: Before you do that, Mr. Chairman, are you going to finish this question of the change of name?

The CHAIRMAN: I raised it. If anyone wishes to speak about it, now is the time to do it.

Mr. BENTLEY: I did not want to speak about it. I do not know whether it is important or not unless the veterans consider it so. If they do I cannot see any objection to it. Is there any controversy between the Legion and the Council about it? Has the Legion any objection to the recommendation of the Council in that regard?

The CHAIRMAN: There has been, so far as I know, no recommendation from any other national organization with respect to it, but I think this is the second time the National Council have raised it. Some members of the National Council, I imagine, feel keenly on it, since it has come up. Their representation on it was contained in the brief. There was no discussion on it. I think there are no deep-rooted objections to it beyond the confusion which might arise after twenty-nine years; some confusion exists. I am rather inclined to think we would be piling confusion on confusion.

Mr. HERRIDGE: I can quite understand the attitude of the Veterans' Council wanting to use a term that possibly, I think without doubt, more accurately explains the situation, but personally I am one of those who are opposed to

cluttering up the English language with long explanatory titles. We have the term "pension", which is generally accepted and known throughout the country and we are getting away nowadays from the use of many words to say a little. I think when we have an opportunity to use any one word we should use one word to express clearly what is intended in the Act and its purposes. I do not think it is worth while cluttering up the statutes and causing the use of more words. We have sufficient in the Act without that.

MR. BAKER: I agree with Mr. Herridge that as far as wives and children are concerned it is really pension. There will be a meeting, I think, every two years; we have a meeting of the Legion at Saskatoon this month, and we should certainly not do anything before that meeting takes place and we hear the views of the Legion on the subject. It seems to me it is just cluttering the thing up. Everybody understands what is meant.

THE CHAIRMAN: If that is your view, gentlemen, I will come back to where we left off on Tuesday. Mr. Lennard has made a request for some information. I understand he desires to speak about it.

MR. LENNARD: I do not know—I had such a build-up—I have not very much to say; but I will not take long at any rate. Mr. Macdonald very kindly gave me some information regarding the matter of adopted children. I realize there are some cases where children were adopted after the pensionable injury took place, and the pensioner has received some compensation for a child; but it is only in rare cases. I feel that after all a pensioner when he adopts a child does not do so to gain any additional pension. There is some very good reason for the adoption; and if the pensioner is considered by the local authorities to be of good character and a proper person to be entrusted with the adoption of a child I do not see why the Pension Commission should be obliged to turn that case down.

If a child is born after the pensionable injury in the natural way there is no argument there; yet in the case of an adopted child—possibly a relative has died or the parents have died—the adoption is for the best interests of that child, and I do not think those parents or the pensioner should be penalized because I certainly feel there is an injustice being done. As I said before, no pensioner is going to adopt a child just to gain a slight additional pension because it is far more expensive to raise a child and no pension would compensate the pensioner for the added expense of bringing up that child. I think this is something that should be given consideration.

MR. PEARKES: Mr. Chairman, I would like to say a word in connection with these adopted children. Until the chairman of the Pension Commission gave his evidence at the last sitting I was under the impression that no adopted children could receive any pension. In fact, I had a letter from the minister only as recently as February of this year in which he stated quite definitely that there was no legislative authority to pay the adopted children, but I understand that is not quite correct, and there are now exceptions when, generally speaking, pensions are now paid, in cases where it has been proved that the pensioner cannot have children of his own and he does adopt a child, but could not adopt a child unless he received pension—that is one of the instances where the pension is now granted to an adopted child.

The only observation I would like to make is that an adopted child is, in the eyes of the law and according to the form of the adoption, regarded as a legitimate child in every way. Now, are we not setting ourselves up as a body to pass on the legality of adopting a child? It seems to me there are other bodies, provincial and so forth, who grant permission for people to adopt a child. Now, when that has been done that child is regarded in every way as a legitimate child and we draw a line and we say they are not regarded as legitimate children.

THE CHAIRMAN: You are using the term "legitimate" in the sense of legal responsibility?

Mr. PEARKES: Legal responsibility. I feel that the Pension Commission is now setting itself up as a body to say you should or you should not adopt a child.

The CHAIRMAN: The Pension Commission, Mr. Pearkes, does not say so; they must interpret the Act.

Mr. PEARKES: I should not say the Pension Commission; I should say that under the provisions of this Act such a thing happens.

J. L. Melville, Chairman, Canadian Pension Commission, called:

The WITNESS: Gentlemen, briefly to review the situation and not to oppose in any way the suggestions which have been advanced, the law is found in the Pension Act, section 22, subsection (3), and says: "No pension shall be paid to or in respect of a child unless such child was acknowledged and maintained by a member of the forces in respect of whom a pension is claimed at the time of the appearance of the injury or disease which caused the disability for which he is pensioned or which resulted in his death: Provided, however, that a legitimate child born subsequent to the appearance of such injury or disease shall be entitled to a pension".

You will notice that it starts out in a prohibitive manner and says, "no pension"; and there is the following subsection (4) which says: "The Commission may, in its discretion, award a pension to or in respect of any child entitled in the opinion of the commission to be maintained by the member of the forces in respect of whom pension is claimed".

Mr. WOODS: Is child defined?

The WITNESS: Child is defined in the Act.

Mr. WOODS: Including adopted child?

Mr. PEARKES: Child also includes his stepchild, his adopted child and his foster children or his illegitimate children.

The WITNESS: Yes. Now, gentlemen, as I stated at a previous meeting in a statement, exceptions have been made. One is in the case of a member of the forces who was overseas and during his absence from Canada a child was born to his wife. He returns, he accepts the responsibility and that child becomes part of his household. We pay additional pension on behalf of that child.

The last occasion on which I spoke was Tuesday. On Tuesday afternoon between the morning and afternoon sessions I was in the board room with the commissioners. One case had been dealt with. It was the case of a paraplegic who, on account of his pensionable disability, was unable to have a child in his family. The commission were very pleased to exercise the discretionary power they have within subsection (4) and award pension on behalf of that child. There are other special cases that have come up. I am just endeavouring to explain briefly our administration of the governing clauses of the Act.

Mr. BROOKS: I would think under that section the commission would have authority to maintain any child at all. It says: "The commission may, in its discretion award a pension to or in respect of any child entitled in the opinion of the commission to be maintained by the member of the forces . . ." Well, if a child is adopted surely the commission could rule that the soldier who adopted it was entitled to maintain it, and if he is entitled to maintain it the commission can, under this section, give that child a pension. That would be my interpretation of it anyway.

The WITNESS: The commission will, that is to say, Colonel Brooks; but we cannot ignore the meaning of subsection (3): "No pension shall be paid to or in respect of a child unless such child was acknowledged and maintained by a

member of the forces . . . " I am no lawyer, but we have a clause there of prohibition, and we do exercise discretion in cases of the types I have mentioned.

Mr. FULTON: What sort of circumstances have they to be? I recall a case I brought to the attention of the committee over a year ago of a returned soldier who was pensioned and who was unable to have children, apparently, and he was adopting a child, and the child had been living with them for over a year. As I told the commission it was the intention to proceed with the adoption as soon as the laws of British Columbia allowed, which usually makes him wait for a year before the formal adoption can be made, and in the meantime he would be glad if the Pension Commission could pay him an additional pension for the support of the child. The answer I got referred to the prohibitory clause and no reference was made to the discretion of the commission. As a matter of fact I intended to bring this up when the Pension Act was again up for revision. This man was not a paraplegic; he was pensioned, I believe, for a tubercular condition. Now, is it to be expected that the commission will exercise its discretion or would it, perhaps, not be more advisable to change that prohibitory clause altogether?

Mr. HARRIS: I think I can follow that along and get the answer I want at the same time. I will not argue the case Mr. Fulton put. I think I can say that until the adoption was actually completed by order of the judge in British Columbia they might have some reason for not exercising discretion.

Mr. FULTON: The information in the letter I mentioned was that even after the adoption no pension could be paid.

Mr. HARRIS: I agree that that should not hold the thing up normally; but there are three classes in which this discretion can be used; first, a legitimate child is not subject to discretion, he automatically gets the allowance; but then you have under the interpretation clause a special clause with regard to an adopted child or foster child or illegitimate child. In all these cases the application would have to come to the commission and be decided under the discretionary clause.

Now, I may not have heard all the discussion; I wonder if the chairman could tell us whether he turns down many of these cases under the discretionary clause? For example, has he turned down a stepchild at any time? It seems to me I would not try to decide the question, and if a pensioner wants to adopt a child and has good reasons for doing so, there is equally as much reason for him gaining the advantages of the Act as if he married a woman with a child or who had stepchildren. Perhaps we can go into it and find out how many times the commission do not exercise discretion.

The WITNESS: Where a stepchild, adopted child, foster child or illegitimate child is part of the household and was being maintained prior to the appearance of the injury or disease resulting in the disability there is no question whatsoever; the commission do pay additional pension. With respect to the others, I am quite frank in stating that there is intended to be a prohibition in subsection (3) of section 22, and the cases we do allow are special cases, and I have cited some instances of the particular type of case. The mere fact of a member of the forces having adopted a child or children at any time after the appearance of the disability does not in our opinion permit us to award additional pension on behalf of such child or children.

Mr. HARRIS: What have you to say about Mr. Fulton's case?

The CHAIRMAN: Mr. Fulton indicated that the man on whose behalf he was speaking was precluded from having children. He was in the same position under your present interpretation as a paraplegic; he is incontinent.

Mr. CONN: That is possible.

The CHAIRMAN: It would be a question of establishing the fact that he was unable to have children.

By Mr. Fulton:

Q. I did not say that at all. When I brought the case to the attention of the commission I have to confess that in the letter I wrote I did not say as to whether he was able to have children himself or whether his wife was able to have children, because I could not see that it should be necessary to prove that. Presumably, people who cannot have children do not adopt children unless it is for some unusual circumstance, where a relative is concerned. I do not see why it should be necessary to put a person through a cross-examination as to whether he can have a child or not when he wants to adopt one. Is not this the situation: if a pensioner has what I may call an actual child in the normal way then he is entitled to a pension for that child immediately?—A. Definitely.

Q. Why should not the same principle apply in the case of a pensioner who adopts a child? In other words, why is the prohibition put in there, in the first place, against adopting children?—A. I shall ask the deputy chairman of the Pension Commission to say a word, but there is a prohibition in the Act; subsection (3) is so very, very clear. It starts off:

(3) No pension shall be paid to or in respect of a child unless such child was acknowledged and maintained by a member of the forces in respect of whom a pension is claimed at the time of the appearance of the injury or disease which caused the disability for which he is pensioned or which resulted in his death: Provided, however, that a legitimate child born subsequent to the appearance of such injury or disease shall be entitled to a pension.

Mr. CONN: Mr. Chairman, around the early 1930's, the commission was faced with certain rather complicated problems, and these problems were aired in parliament and they caused considerable concern. I am referring particularly to the cases which were known as the bigamous marriage cases.

And associated with those cases was the interpretation of this particular section in regard to adopted children, and the procedure that had been followed by the commission under that section in the previous years.

Flowing out of this trouble and discussion in the House of Commons, the government advised that they would appoint a judge, an eminent judge, as acting chairman of the Canadian Pension Commission in order that he might review the administration into all of these problems.

The CHAIRMAN: Was that Judge Taylor?

Mr. CONN: That was Mr. Justice Taylor of the King's Bench Division of the province of Manitoba. He was appointed as acting chairman for one year, in 1934, I believe. I am not prepared to speak on this subject; I am just giving you the data as nearly accurately as I can remember it.

Judge Taylor immediately set himself about these particular problems with which he was charged. One of them was a review of these 640, I think they were at the time, of what were known as bigamous marriages; and also this section of the Act.

I happened to turn up a judgment of Mr. Justice Taylor which touched upon this problem. Mr. Justice Taylor was re-appointed for another term of office in order that he could finish his work.

How that problem started was due to the fact that the Auditor General had brought to the attention of the commission, in his review of the situation, that his office had discovered that additional allowances were being paid in cases where, in his opinion, they were not warranted under the statute, and that these additional allowances amounted to a considerable amount of money. Then representations were brought officially to the attention of the government; and from the representations of the Auditor General there flowed the appointment of Mr. Justice Taylor for this specific purpose.

Now, if you follow along: Mr. Justice Taylor reviewed 1,040 cases, I think it was, and he, in collaboration with his colleagues on the commission, handed down judgments in those cases; and that settled that problem.

The commission, from then on, had to follow the law along the lines laid down by Mr. Justice Taylor, not only with respect to matrimonial obligations which arise, but along the lines of this subsection (4) of section 22.

Subsection (4) of section 22 of the Pension Act reads as follows:

(4) The commission may, in its discretion, award a pension to, or in respect of any child entitled in the opinion of the commission to be maintained by the member of the forces in respect of whom pension is claimed.

This is not limited to legitimate children. Really, in order to get at the meat of this thing, the whole judgment ought to be read; but it is rather long.

Mr. Justice Taylor goes on to say, in paragraph (a)—this is rather significant, and it is probably the basis of our attitude on this subject—

(a) It is clearly provided that no pension should be paid in respect of any child who was living at the time of the appearance of the injury or disease but who, at that time, was not acknowledged and maintained—

and he has these words underlined:

—by the member of the forces. This makes it equally clear that any child, whether legitimate, or illegitimate, step-child, adopted child or foster child, who was acknowledged and maintained at the time of the appearance of the injury or disease would still remain entitled to pension.

(b) Provision is made for legitimate children born subsequent to the appearance of the injury or disease.

That was Mr. Taylor's considered opinion at that time and that set the law followed by the commission up to today, and in other judgments he laid down with respect to this subsection (4).

(c) Subsection 4, then, gives discretionary power to the commission to award a pension to or in respect of any child, (legitimate, illegitimate, step-child, adopted child, foster child) if such child "is entitled", in the opinion of the commission, to be maintained by the member of the forces in respect of whom a pension is claimed.

There is discretion to award a pension in the case of any child, but that discretion must be exercised with the greatest caution, and it clearly is to take care of such cases, such as that of the paraplegic, which was mentioned yesterday, and of other cases of issue of a pensioner which are outside the marriage bond, and where he has obligations which the state requires him to assume.

By Mr. Harris:

Q. I take it then that these subsections 3 and 4 are in the same form now as they were before Judge Taylor's office?—A. Yes, exactly the same today as they were before Judge Taylor's office.

Q. So, in fact, what the judge did was to review the administration of the sections; he did not change the law.—A. No, he did not change the law.

Q. I think it is obvious then any child conceivably could be the subject of bounty under both sections; so we have to do just what the judge did, if we choose to, and that is, to review the discretion which is exercised by the commission and the manner in which it is exercised. I have not heard the discussion and I do not want to enter into an argument; but my first impression is to

support Mr. Lennard: that we should not take the view, particularly in the case of adoption, that the thing will get out of hand.—A. Mr. Melville we have had, for instance, the case of a man who had extremely short service, and who married a widow with twelve children.

Q. Yes, I know; they would be step-children, not adopted children.

By Mr. Pearkes:

Q. I am very pleased that attention has been focused on this subsection (4), because it is quite obvious that up to now that subsection has not been applied very generously, nor has it been generally known.

As I said, in February of this year. I received—or rather I took up a case with the minister and I received the following reply, in which, after referring to the particular case, the minister said:

Under the provisions of the Pension Act, additional pension on behalf of adopted children may be paid only if they were acknowledged and maintained by the pensioner at the time of the appearance of the pensionable disability. . .

That is definite. There is no suggestion or hint that there could be extenuating circumstances. This discussion has brought out the fact that there may be extenuating circumstances, and that, when in the opinion of the commission they are justified, the commission may take them into consideration?—A. Maybe I might add a word at this point. We are here in order to get representative opinions as well as advice from all over this great dominion of ours; and it is of great assistance to the commission which bears the responsibility for the administration of the Pension Act.

The deputy chairman quoted one case of a marriage of a pensioner. Now, I think we will agree that there must be cases where the discretion should not be exercised. But, having heard what Mr. Pearkes has said, and other members of the committee, it is evident that there are other cases where you probably would like a more broad exercise of the discretion by the commission and still not open up the Pension Act, to an extent that might be wrong—I think “wrong” is the only word I could use under the circumstances.

Mr. FULTON: I would like to make this suggestion without asking for a ruling at the moment. It does seem to me that it would be logical to suggest that, at least, where legal adoption has been completed, even though it may have been completed at the time of the appearance of the injury or condition for which pension is awarded—that in such cases a pension should be awarded on behalf of the child, if it is of the age when a pension would normally be paid for it. What would be your reaction to that, as an expression of opinion? Is it fair to ask that?

By Mr. MacNaught:

Q. Consider the case of an illegitimate child. The mother then marries a pensioner. Under the statutes in most of the provinces, that child is legitimized and yet I took that case up with the commission and pension was refused in relation to that child. I think in such a case that your discretion should be exercised in favour of granting that child, which is legitimized by statute in most of the provinces, and which child was further adopted for other purposes rather than legitimization. I think in that case that the exercise of your discretion should be in favour of the child?—A. Let us remember, in that regard, that we have a deadline in the Act today, the first day of May, 1944. Let us not disturb the balance, such may affect cases as of right, as opposed to cases of discretion.

We are very glad, indeed, and I speak for the commission, to have expressions of opinion from this committee.

Mr. HERRIDGE: I think the general trend today is for, possibly, a wider latitude in the administration of this Act, but I would not go so far as Mr. Fulton goes. That could mean a situation like this, if you will pardon a personal reference: I am a veteran in receipt of a pension. I have raised a family. Now, I have reached the age when impotence has arrived.

The CHAIRMAN: Surely not!

Mr. HERRIDGE: I would like to ask the commission this question: Would it be possible for me to adopt a child, according to Mr. Fulton's suggestion, and then apply to the commission for that child to be pensioned? I do not think that would be the wish of the committee in a situation like that, but I just used that as an illustration because, in my opinion, Mr. Fulton's suggestion goes too far.

Mr. QUELCH: Did you read yesterday's *Journal*?

Mr. HERRIDGE: No.

Mr. BROOKS: Frankly, I think that under this section it is possible to give a pension to an adopted child, as I stated a few moments ago. I understood, from Mr. Conn, that it was in 1934, I think, that the Treasury Board objected to a great many of these cases.

Mr. CONN: No, 1932; but the action was taken in 1934.

By Mr. Brooks:

Q. Well, we all know that in 1932, it was at the very height of the depression and there is no question that the Treasury Board was cutting down everywhere they possibly could.—A. But it was not the Treasury Board; it was the Auditor General who brought this to our attention.

Q. Well, they are all tarred with the same stick.

Mr. HARRIS: It depends on where you are sitting.

Mr. BROOKS: In these days, however, when we are collecting such high taxes, and when we have such enormous revenue, we cannot compare conditions today with what they were then. I believe, it was a matter of economy in those days, as to why the Act was interpreted so rigidly. I think this committee should suggest to the Pension Commission that they be a little more open in their interpretation of the Act.

By Mr. Quelch:

Q. I would not be prepared to go so far as some apparently are: that pension should be paid for all adopted and step-children, that is for step-children taken on since the disability was incurred.

On the other hand, I think a pension always should be paid to a family, for an adopted child, where they are unable to have children of their own. I would like Brigadier Melville to tell us to what extent that discretion has been used in those cases? Has it been the general practice to allow a pension where a family has not been able to have a child of its own? You gave one illustration of a case in connection with a paraplegic.—A. There are a few cases, but not many. I would say that the circumstances you speak of are not necessarily brought to the attention of the commission. The way it is usually brought to our attention is: a child has been adopted, and we want additional pension for that child. The reasons are not given in the majority of cases.

The CHAIRMAN: Gentlemen, perhaps I might at this point interject a word. If I have been able to follow the trend of the discussion this morning, it has consisted of expressions on the part of the committee, that in the opinion of the

committee the commission should review its practices with respect to the use of its own interpretative power, with a view to being somewhat more generous than was the situation before.

Mr. WINKLER: Considerably more!

The CHAIRMAN: All right, "considerably more". We have heard from the chairman and the vice-chairman of the commission; and during most of the discussion we have had with us the minister, and throughout all of it the deputy minister.

Am I interpreting the wishes of the committee when I say: that perhaps we have accomplished the main object of the discussion? Of course, we can go on indefinitely referring to specific cases and specific circumstances.

Mr. FULTON: There is just one other fact I would like to bring to the attention of the committee and to the attention of Brigadier Melville. The question of granting a pension for adopted children has been raised in every province by social welfare agencies and other public or private agencies, which seek families, suitable families, to adopt children. In fact, I think it is accurate to say that they are encouraging adoption of children by suitable families.

Now, if the practice or interpretation of this section of the Act is to the effect that normally a pension will not be paid for adopted children, you are then definitely discriminating against the veteran as distinct from other classes of the community, because you are saying to him, in effect: you should not adopt a child because, if you do, you won't get an extra pension for it. So I think we should bear that in mind. On the one hand we have social agencies encouraging the adoption of children while on the other hand we have the commission, in effect, saying to the veteran: you should not adopt a child.

The CHAIRMAN: That, I take, is the considered opinion of the committee as a whole; its views are pretty clear.

Mr. BENTLEY: And there was another case cited here this morning. We may be expecting quite a lot from the commission, and they may not be able to undertake it. I was thinking of the case mentioned by Mr. Conn, of the veteran, the pensioned veteran, who married a widow with twelve children.

Mr. HARRIS: But we are talking about adopted children, not step-children.

Mr. BENTLEY: I would like to ask: were allowances made in the case of all the twelve children?

The CHAIRMAN: No. Only if the marriage took place before the disability was incurred. If the veteran married a widow with any given number of children prior to his disability, and assumed responsibility for them, they would be entitled to a pension; but not if he married her after.

Mr. BENTLEY: I feel that marriage is a matter which concerns the two individual parties thereto. And I believe, under the civil law, if a man marries a lady who has children by a previous marriage, that, while they are minors, he becomes legally responsible.

The CHAIRMAN: Not unless he adopts them.

Mr. BENTLEY: Now, if we are going to deny the right of a veteran to bestow his affections upon a lady simply because she has some disability of that kind, then we are narrowing the field of scope of a veteran in seeking for a wife, if he wants to do so. And if we are going to assume that a veteran is going to be the father of a family, a veteran who is under pension for a war disability, and if the family has been born before he was entitled to that pension, it does not lessen his responsibility any by the fact that the lady he married has already given birth to some children.

The WITNESS: We have heard the discussion and I would say that we do exercise our discretion. I have always been anxious to place before this committee all the facts, even before you asked for them, so that you will know what we are doing.

Now we know what you desire, and from this day forth we will maintain a record of the applications received and the action we have taken, within the categories, and I shall come back and report to you when next this committee is summoned.

Mr. LENNARD: I would be very well satisfied if it was definitely understood that this committee was of the opinion that the commission should, perhaps, exercise a little more leniency than previously in this respect. I would be very well satisfied with that, at this time, at any rate.

The CHAIRMAN: I feel, myself, that the discussion has been helpful and enlightening for the committee as well as for the commission.

Before we rise, let me say that certain other people have given notice of other questions which they would like to record. Mr. Pearkes is next in order. We would like to conclude this discussion this morning because the Canadian Legion will be ready to present their brief with respect to the Veterans Allowance Bill tomorrow; and the Ontario veterans of the National Council are standing by. They will be heard at the morning or afternoon meeting on Tuesday, if we conclude this morning.

By Mr. Pearkes:

Q. I wanted to refer to section 34, subsection (1) which deals with the pension paid to a dependent brother or sister. Under that section the pension may be paid to the dependent brother or sister when death has occurred to the veteran, but not before.

That seems to me to be contrary to the principle that a veteran's pension cannot be touched, that it is inviolate, because, while the veteran is alive, you expect him to keep his dependent brother or sister, but the moment that he dies you accept the responsibility of paying that dependent brother or sister a pension.

Now I want to put before the committee the reaction that exists in the mind of the veteran who is keeping his brother or sister during the years he is alive, and who wonders what will happen to them when he dies. It is a strain and an anxiety to that veteran because, while the commission may grant a pension to the dependent brother or sister, it is not bound to do so, and the veteran does not know, until after his death, whether his brother or sister is going to be cared for. So I would suggest that in cases where there is no wife or other dependents, in cases where the commission may grant a pension after death, that they should grant that pension prior to the decease of the veteran.—A. All I can say, gentlemen, is that—and I have repeated it so often—the provisions of the Pension Act—there is no provision for additional pension on behalf of a dependent brother, as General Pearkes has said. There is provision for a pension when death occurs.

But in looking at a problem of this nature, I think we have a responsibility as citizens. In a family, the responsibility goes down through the parents to the children, but in that same family, again, it is not necessary that the responsibility for maintenance go out from brother to brother, or from brother to sister in the opposite direction again.

Also, if a brother is being supported, or let us say, a sister, that support, very often, is made through earnings to the greatest extent, and a pension would only form a comparatively small portion of the amount that is available for maintenance.

When death occurs, and that brother who was assisting towards the support of a brother or sister is removed from the picture, then the brother or sister becomes in a dependent condition. That, I think, is the principle or understanding that has been behind the Pension Act so far as I have been able to study it..

I went back, not later than this morning, to 1917, when I found that this provision was made for brothers and sisters: that an allowance be paid only in the event of death. That is the situation, it is not contra argument, or intended to be contra to what General Pearkes has said.

Mr. BLANCHETTE: Are there any other comments, gentlemen?

The CHAIRMAN: This is an opportunity, gentlemen, if you have any comments to make on the Pension Act arising out of your own experience, as was the case with Mr. Pearkes, for you to make your views known to the commission; and if anyone wishes to comment, now is the opportunity because it will be recorded and the commission and the rest of us will have the benefit of that experience. I am not urging a debate on the matter, but I would like to make it clear that this is an opportunity.

The committee did not intend to resolve on all these things or to turn what has been a rather business-like session into something in the nature of a farce, which would be the case if we all did that. But I do want it clearly understood that this is a day set aside for explanations and for opinions.

Mr. BLAIR: It is a "beefing" session.

At this stage proceedings took place off the record.

The CHAIRMAN: There is one piece of unfinished business remaining. One of the members of the committee, yesterday, asked for some information from the deputy minister. I think it was Mr. Wright. The deputy minister now says that he is in a position to make a statement in reply to Mr. Wright.

Mr. Woods: Mr. Chairman and gentlemen, I had hoped to prepare a statement that I might table with the committee which would go in the record, in respect to Mr. Wright's question, but opportunity has not allowed me to do so. I would like to present, informally, my reply to Mr. Wright's question.

Mr. Wright raised the question as to why a deduction is made from the pension in a province where the pensioner is receiving free hospitalization for a condition—and he cited for example free treatment for tuberculosis, such cases in Saskatchewan. Now, this is the situation, Mr. Chairman: If a veteran is treated in our hospitals, in any of our hospitals, or in a hospital where we are required to pay for his maintenance—and incidentally, if he is entitled to treatment in Saskatchewan in a sanatorium, we do pay for his maintenance—which is a little over \$4 a day—but if he is treated in one of our hospitals, or if he is entitled to treatment from any institution elsewhere where we have to pay for his treatment we make a deduction of \$15 a month from his pension.

Formerly his pension was suspended and we gave him, in place of pension, what was known as treatment allowances. The treatment allowances were the equivalent to one hundred per cent pension, even if the man's disability was only assessed at 20 per cent, and when he went into hospital we gave him hospital allowance on the basis of 100 per cent pension, for the reason that during hospitalization he will be totally incapacitated and his earnings have ceased. So, when he goes into one of our hospitals, or is entitled to treatment in a provincial institution for which we are required to pay, we make a deduction from his pension of \$15 a month.

Formerly, as I explained it, his pension was suspended and we extended what was known as hospital allowance on the basis of 100 per cent pension.

But because of the appeals which took place two years ago, parliament, upon the recommendation of this committee, decided to continue his pension when he went into hospital, and we augment his pension now to a 100 per cent basis while he is in hospital. Now, we take \$15 a month.

Some questions have been raised about making any deduction. But that deduction has been made ever since pension legislation existed. It has been made for the past thirty years. Always there was a deduction made when he went into hospital because, if you did not do so, when a man is an out-patient, sometimes when he leaves the hospital he is not fit for employment for a month or a couple of months. So we pay him full hospital rates or full pension rates.

If you did not deduct, while he was in hospital, it would be discriminating against the men who were in hospital as compared with the out-patients.

The deduction was raised to \$30 a month a few years ago. A committee sat in the Department of Veterans Affairs to overhaul our treatment regulations. General Ross of Saskatchewan—formerly Dominion President of the Canadian Legion, and myself, and a couple of other officers of the department, comprised the committee; and we recommended to the government that we reduce that deduction in respect to a patient in hospital from \$30 to \$15 a month, and it now stands at \$15.

So, if a patient goes into one of our hospitals, or into a provincial or municipal hospital where we are responsible for his maintenance, a deduction is made of \$15 per month in conformity with the practice that has existed ever since pension legislation was enacted.

Now, Mr. Wright raised this question, I believe: How about a man who was entitled to free treatment from the province? Why do you make a deduction in his case?

The WITNESS: We do not make a reduction in his case.

Mr. WRIGHT: I did not put it that way.

Mr. WOODS: Well, Mr. Wright, if you will kindly let me give my answer, then, if I am wrong, you can correct me. We do not make a deduction in that case unless he asks to be placed on treatment allowance. If he does come to our department and he is entitled to treatment, and if he goes into a provincial institution, we institute treatment allowance; then the \$15 deduction is made. But if the pensioner goes into a provincial hospital and he does not ask us for any treatment allowance, he goes in as a free citizen of the province that has the medical protection, and the pension is not interfered with, and no deduction is made. That is the story, sir.

Mr. WRIGHT: That was the point that I raised, because in this province where a soldier has a pensionable disability let us say, for tuberculosis, and he goes into a hospital, there is a deduction made. On the other hand, another soldier with an equally pensionable disability which is not related to his tuberculosis goes into the same hospital there is no deduction made, but the two men are there together and there is quite a lot of dissatisfaction; and naturally, when they are talking together, one chap will say he is in there because he got tuberculosis while overseas and he gets deduction from his pension, and the other fellow says that he is in there because of a disability from some other cause, and no deduction is made from his pension. I think more health schemes are being put into force across Canada in several of the provinces—in British Columbia and Ontario—and they are going to have more and more of these health schemes coming in, and this discrimination will continue to rise and may cause more and more dissatisfaction among the veterans. I think we should give some consideration at this time to this matter. The deputy minister said it was at one time a \$30 deduction, and it is \$15 today. I think the time has come when we should give serious consideration to removing that.

Mr. WOODS: The distinction between the two cases Mr. Wright states is that in the one case the federal government is required to pay his maintenance

and in the other the federal government is not required to pay his maintenance. In Saskatchewan it costs now over \$4 a day, and this deduction is made of \$15 a month. The other chap goes in free; and if the pensioner asks for hospitalization and is admitted and does not ask us for hospital allowance he goes in free too and his pension continues.

Mr. BENTLEY: Take the case of two pensioners: one, where the disability is attributed to tuberculosis, and the other where it is not. He goes to a hospital. In the case of the one whose tuberculosis is attributable to war service he is in the hospital because he is incapacitated and his incapacity may raise him to 100 per cent pension with a deduction of \$15; in the case of a man whose tuberculosis is not related to war disability, he is like any other citizen, his pension remains, there is no deduction and no increase.

Mr. WOODS: Yes.

Mr. HERRIDGE: I am glad this has been brought up to clear up some misunderstanding, because of some discontent. Could the department inform these people on the basis of the deductions. Two men are lying side by side, and these distinctions do not seem logical.

Mr. WOODS: I think Mr. Herridge's suggestion is a good one and I will undertake to see that our district officers are informed to advise the pensioners who are in the hospitals, so that there will not be any disturbance take place in their cases.

Mr. BLAIR: I have no question relating to this matter, but I would like to ask the Deputy Minister whether the D.V.A. give the pensioner streptomycin free?

Mr. WOODS: That is right.

Mr. BLAIR: And if he is not a pensioner?

Mr. WOODS: No streptomycin is given. If in medical opinion it is required it is given free, but it is not given free by our department to a non-pensioner or a man who is not pensioned for a condition for which he requires streptomycin. I understand that streptomycin is available from the provinces in cases where a man is not a pensioner and he requires it.

Mr. BLAIR: They have to pay for it? I have in mind one case where they had to go through service clubs to raise \$250 so that the man could get streptomycin.

Mr. WOODS: Our department used to be the Department of Pensions and National Health, and I would think it was the responsibility then to provide streptomycin in cases such as Dr. Blair refers to. Now we are the Department of Veterans Affairs and our responsibility extends only to veterans whose disabilities are attributable to war service.

Mr. BLAIR: The other matter I want to refer to is section 62 of the Pension Act, the benefit of the doubt clause. I am aware there has been considerable trouble about the benefit of the doubt clause and the difficulty the commission had in dealing with it; so this morning I am bringing in a resolution to bring this matter into discussion. I am going to move, seconded by Mr. Lennard, that section 62 of the Pension Act in the fifth line of the paragraph the words "be entitled to" and "and shall draw" be struck out. So section 62 of the Pension Act would read as follows:

Notwithstanding anything in this Act, on any application for pension the applicant shall be entitled to the benefit of the doubt, which shall mean that it shall not be necessary for him to adduce conclusive proof of his right to the pension applied for, but the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant.

I think, Mr. Chairman, that if those words were struck out of section 62 it would cause the Pension Commission a great deal less trouble and would make absolutely sure that the pensioner would have the benefit of the doubt.

The CHAIRMAN: You want to take out the second "draw"?

Mr. BLAIR: No. "Be entitled to" and "and shall draw". Take those words out.

The CHAIRMAN: Leave "draw" in?

Mr. BLAIR: Yes. "... the body adjudicating on the claim shall draw from all the circumstances of the case, the evidence adduced and medical opinions, all reasonable inferences and presumptions in favour of the applicant."

The CHAIRMAN: You would leave out "be entitled to" and "and shall draw"?

Mr. BLAIR: I would leave out "be entitled to" and "and shall draw".

The CHAIRMAN: It will read, "shall draw".

Mr. BLAIR: "... adjudicating on the claim shall draw from all the circumstances . . ."

The CHAIRMAN: You want us to take those six words out?

Mr. BLAIR: Yes.

The CHAIRMAN: Is there any comment on that?

The WITNESS: May I say that the commission is composed of fifteen members, including the chairman. Some of those members are lawyers. I think you will agree with me, gentlemen, that before I express an opinion I should have an opportunity of discussing this with my colleagues. That is not negative by any means, let me assure you. I shall be very glad to consider it.

Mr. QUELCH: There are several lawyers present and perhaps they would express their opinion. Perhaps Mr. Harris would express an opinion. I cannot see that it makes much difference to the section. There may be more to it than I can see.

Mr. BLAIR: My purpose in moving this amendment is that we have had, as Mr. Melville can say, considerable trouble with this section of the Act. We have had trouble in persuading the Pension Commission to draw conclusions in favour of the veteran. I stated yesterday in discussing the other matter we found 10 per cent of sixty cases where three medical members of the board believed they had not given the applicant the benefit of the doubt. I think if you reword this section it puts the onus on the commission that they make any presumption in favour of the applicant. I think this is the weakness of the Act.

Mr. QUELCH: Change it from "shall be entitled to draw" to "shall draw".

The CHAIRMAN: It gives them authority to draw. Unfortunately, we have had this "shall" and "may" business in legislation ever since I came here, and the lawyers amongst us seem to treat the two words as being identical. As a non-lawyer I am a little inclined neither to take exception to nor see any great help in the amendment which the doctor makes because I would say that "shall be entitled to draw" simply means that under this Act they have permission to do it, and then it says that having the entitlement they shall do it. I would like a legal opinion as to whether or not there is any further onus on the board to draw that inference.

Mr. BLAIR: The words I am objecting to are "shall be entitled to". They do not need to do it unless they like.

The CHAIRMAN: I remember, Dr. Blair, when these words were drafted—if you take out the words "shall be entitled" to do it, at some future date some commission might say, "We are not permitted under the Act." It is like most legal discussions, to a layman it is hair splitting, and I know the difficulties we can get into. It is something in your line, as a lawyer, Mr. Harris.

Mr. HARRIS: I think, sir, that the proper thing to do is to wait until Mr. Melville has consulted with his colleagues. I must say, however, that my first impression would be that the striking out of the words would strengthen the purpose that Dr. Blair has in mind. If I am reading a statute and I find I am entitled to do something I might still have in my mind the fact that I need not accept that; the use of the words "shall draw" is imperative—"and shall draw"; and yet they are contradictions in themselves.

Now, that is entirely offhand. But I do feel that Dr. Blair was getting it stronger, although I think any lawyer would admit that he would like to have a concrete example before he would make his mind up.

The CHAIRMAN: I am in the hands of the committee. As regards points of the effective use of words in legislation as interpreted by lawyers I am as confused as the rest of us.

Mr. HARRIS: Let us wait for the daylight.

The CHAIRMAN: Would it meet with your desire, Dr. Blair, to stand this specific resolution over and get a statement from the minister at the next meeting?

Mr. BLAIR: As Mr. Melville is aware, I have cases I can cite where they have been in trouble. I am doing this, Mr. Chairman, to make this positive that the commission "shall draw". I think "be entitled to" is a weakness. The intent of the legislation was to have the commission rule in favour of the applicant, and when you put the words "entitled to" in there it gives them leeway. Then you have the two contradictory phrases; is not that right? I think by cutting these words out the commission positively would have to draw the inference in favour of the applicant.

Mr. HARRIS: Of course, this is not to suggest that the commission has not done that, nor that in specific cases they may have decided that the inference was not the inference that Dr. Blair or the applicant might want.

Mr. BLAIR: I am bringing this up for the reason, as Mr. Melville knows, that I have been fighting this clause on several occasions, and I honestly believe that it deserves strengthening, and the way to strengthen it is to make it positive that the commission must draw the inference in favour of the applicant.

Mr. FULTON: It seems to me that what Mr. Harris said when he first expressed his opinion is perfectly sound. I do not believe it could be better put. I agree that it suggests, first, a conflict, and it seeks to resolve the conflict by saying later "shall draw." The words as they are now are surely redundant. You do not need to have the words "shall be entitled to draw" if you say "shall draw". If they are obliged "to draw" it obviously means they have the power to do so. The first words "shall be entitled to" are redundant. I agree it would strengthen the section to cut the words out.

Mr. QUELCH: I am in favour of what Dr. Blair is trying to bring about. I was a member of the committee in 1946 when we were dealing with this matter. We were not very successful in doing what we were trying to do then. We did add the words "and presumptions" in section 62. I think that, perhaps, in order to achieve the objective that Dr. Blair has in mind it would be better that the amendment be moved under section 62—I think Mr. Green moved it. I have forgotten the wording. It was an additional sub-section; and the words it shall be presumed that the man's condition at the time of enlistment was an actual condition, and substantial deterioration would be pensionable. It was a presumption clause. That passed the committee.

The CHAIRMAN: Once.

Mr. QUELCH: Yes, the first time it was passed and it was vetoed by the minister and thrown out.

The CHAIRMAN: Oh, Mr. Quelch, I object to the word "vetoed". My experience in this committee is, and I think yours has been, that we do not take very much direction from anybody. The committee did reconsider the matter. I think I voted both ways on it.

Mr. QUELCH: That word "veto" has become unpopular on account of it being used in the United Nations by a certain nation; but the point is that this committee has only certain powers; they have power to amend the Act providing it does not mean an increase in expenditure. That amendment would have meant an increase; and therefore the minister told us plainly he could not accept it. That is what happened. As it meant an increase in expenditure the minister could not O.K. it and we could not pass it. In the first instance when we were dealing with that very matter it went through unanimously. I think, therefore, in order to achieve what Dr. Blair is trying to achieve we should move an amendment of that kind. Whether it would be allowed to pass I do not know. I doubt if the amendment Dr. Blair has suggested is going to have the effect he wants it to have. We will know better when Mr. Melville tells us whether he thinks it will have much effect upon the commission.

The CHAIRMAN: I am just the chairman of this committee; I am not an adviser of the department. I remember that discussion very well. The terms of reference, of course, in the last committee were somewhat broader with respect to initiating legislation than they are in this instance. The desire of the committee is more likely, in my view—I am now speaking as a member of the committee and not as chairman—the desire of the committee, if feasible is more likely to be realizable in the form of the amendment put by Dr. Blair than by reviving that former amendment which was in effect "fit for service, fit for pension," which is a principle not adopted anywhere in the world, and I am quite sure would not get the unanimous support of a committee such as this.

Mr. QUELCH: Will this motion effect the object Dr. Blair has?

The CHAIRMAN: I do not know.

Mr. BLAIR: I think it will. Let me go back to one of the cases I cited—the case of a man who was hit in the back by a piece of pulp in 1935. The question of the benefit of the doubt comes in. The commission were inclined to rule—am I right in saying that, Mr. Melville?—that this was a pre-enlistment disability? That is where we are talking about the benefit of the doubt. He was hurt in 1935. For five years he was quite all right and for three years while in the air force he was all right, but he hurt his back towing targets on Lake Erie. This is a case that caused considerable trouble for the Pension Commission. I maintain the man was not given the benefit of the doubt; that the injury did not occur in 1935. True, this case has been suitably dealt with since and a complete analysis has been made of his claim. That man did not get the benefit of the doubt in the first instance. I really think that the Pension Commission as well as ourselves would be pleased to have this clarified; and I feel that in moving this amendment we are making it an absolute necessity on the part of the commission to give the man the benefit of the doubt: because they have certain specialists down there who probably feel at times, without having proper proof, that that condition did arise—but the onus is on the man to prove otherwise, and I want to make this absolutely positive that the man gets the benefit of the doubt, other evidence to the contrary.

Mr. HARRIS: There is a point that Mr. Quelch was talking about and I would like to ask the chairman about it. I understand there was an amendment in 1946; could you tell us what that was?

The WITNESS: The amendment was in respect of—

Mr. HARRIS: Tell me what we did in 1946.

THE WITNESS: In 1946 the words "and presumptions" were added to the Act. Sec. 62.

MR. HARRIS: Did we at that time discuss this particular clause that Dr. Blair is speaking of?

THE WITNESS: Not the particular phrase we are dealing with at the moment. I say this: at any time any amendment is made to the Act it revivifies the whole administration of the Act. We hold board meetings, and it is good on the whole. Dr. Blair has said—and he won't mind me referring to it—that six cases out of sixty, 10 per cent, were in his opinion and that of the committee not so good. Shall I put it this way? Gentlemen, in all fairness I must say that those sixty cases do not represent that group. There are hundreds or maybe a thousand gentlemen, which flowed into one organization. Regarding that organization I will make no comment. Out of them they took sixty tough cases. Each of those sixty cases was reviewed by the chairman of the commission, I reviewed them personally and turned over each file to the special committee that was appointed by parliament. Out of that group, I think Dr. Blair will agree, of sixty cases, there were six of which we were not in agreement.

MR. BLAIR: Quite.

THE WITNESS: There was the one back case and on the evidence before us there was a pre-enlistment accident. Inquiries were made. We established beyond doubt, or beyond reasonable doubt, shall I put it that way, that the accident had not resulted in any serious disability, and that the back condition he had today probably was entirely incurred during his war service. We, therefore, resolved all doubts and inferences in favour of the applicant and granted entitlement. But as I have said, there have been other conditions where with a similar history there has been a record of an actual pre-enlistment accident and compensation for disability.

Maybe while I am on my feet I could answer a couple of points which General Pearkes very kindly brought up. One was with regard to the continuation of supplementary pension during the continuation of residence in Canada and as to what our policy was. I stated it then. May I make it more affirmative by saying this, that we are obliged under the Act to suspend pension when that supplementary pensioner leaves Canada. That same practice applies in the old age pension. I made inquiries and I am so informed that the same applies in the war veterans' allowances.

MR. WOODS: This is only for dependents and not for widows. The widow gets her pension wherever she goes.

THE WITNESS: Yes. On return to Canada in supplementary cases if the absence has not exceeded a period of three months the award is reinstated from the date of suspension.

MR. LENNARD: It is news to me that a pensioner with a disability has his pension stopped when he leaves the country.

THE WITNESS: I am not speaking of a Canadian disability pensioner. I am referring to cases where a supplementary award is made to a dependent and that dependent leaves the country.

Now, the commission does suspend that pension when the pensioner leaves the country. If the absence is for three months there is no question whatsoever; we reinstate from the date of suspension. I would not like a limitation put in, in any way. There was the case I gave of a mother who went to visit her son's grave in Europe and she visited some relatives afterwards and her absence was somewhat in excess of three months. We were very glad to reinstate her award from the date of suspension. I hope General Pearkes is satisfied when I state that is the general policy.

MR. PEARKES: Mr. Woods said it did not apply to widows.

Mr. WOODS: It only applies to dependents who are subject to a means test; that is dependent parents and so forth. In that case it is social legislation; and in all social legislation in Canada they suspend the payments when the recipient is out of the dominion. But as to the widows of pensioners or pensioners themselves or the children, wherever they go, the pension continues.

Mr. PEARKES: I have a letter here which says:

I have been awarded a pension under section 45 of the Canadian Pension Act in respect of the death of my husband, Lieut. A. H. Spurr, R.F.A.

. . . . I find I cannot leave Canada without suspension of my pension. . . .

There is a proviso, I think, in section 45, which refers to that.

The WITNESS: And there is this distinction: a pension to a widow as of right. The pension of a widow of a Canadian veteran is not affected whatsoever by her place of residence. But where a supplementary award of pension is made, where the husband served with the forces of His Majesty, or of His Majesty's allies, and a supplementary pension is awarded, it can only be paid during continuation of residence in Canada.

Mr. BROOKS: Before we leave section 62, I would like to say a word. I was always of the opinion that section 62, if properly interpreted, does give to the men the benefit of the doubt. I do not see any reason why they should not have the benefit of the doubt under that section.

And as to the change which Dr. Blair suggested, I quite agree with Mr. Harris that some officials might think the words "entitled to" give them an opportunity perhaps to combat in some way the "benefit of the doubt", which the man was entitled to.

I do not know whether it is a correct statement to make or not, but after listening to Dr. Blair's cases and some other cases, it almost seems that there were some doctors or some people in the department who were building up for themselves certain procedures by way of interpreting this section which took away from the soldier the benefit of the doubt to which he was entitled, and which, I am sure, he could get under this section.

What we are asked to do is to amend the Act in order to give him, not more benefits so far as the benefit of the doubt is concerned, but to try to amend the Act so that these officials will interpret the Act as it is supposed to be interpreted.

I think that if the Act be interpreted as a layman or a legal man would read it, then the men have the benefit of the doubt and there is no question about it at all.

To my mind, somebody must be looking for loopholes, if they pick out these words "entitled to benefit" as a loophole and build up a certain procedure around them. I think they are absolutely wrong. It is very hard for this committee to pass legislation in order to correct what I believe to be an erroneous administration of this Act. I feel that if this Act is properly interpreted and administered, there is no question but that in every case the men will get the benefit of the doubt.

Mr. BLAIR: We did not hear very much about these cases of back injuries in connection with the first war; but it is pretty hard to determine the time when this particular injury occurred in a man's back. Such cases comprise a great number.

The WITNESS: Yes.

Mr. BLAIR: It is really hard for the commission, as well as for the men, to establish their claims in those cases of back injury. No doubt a lot of them occurred through crashes in the flying corps. I know they did occur in the infantry and in the other services too. It is true that medical science has

advanced greatly, but, on the other hand, everyone who is operated upon does not get a perfect result. So a serious condition may arise or be present. It is this particular type of back injury that I have in mind, and I think it is very important that the benefit of the doubt be given to such a man because he is very seriously disabled. Unfortunately a great many of such cases have turned up in this last war.

The CHAIRMAN: Now, if that concludes the discussion with respect to this, what is your will?

By Mr. Quelch:

Q. There is one other point I would like to raise. After the commission has found that after giving the veteran the benefit of the doubt, it is still not possible to award a pension, then application may be made by the applicant for the application of section 21.

Is it my understanding that the Pension Commission does not automatically use section 21, unless a special application is made on behalf of the pensioner for the section to be applied?

I would like Brigadier Melville to explain just what really governs the application of section 21?

I have in mind a case where a veteran, a few months after his discharge, became badly crippled with arthritis. He was advised by his doctor to move to the coast. He did so. Later on he became totally bedridden and, ultimately, he died. He got no pension and his wife got no pension. I cannot understand why, in that case, section 21 could not have been used.

This man was not entitled to a pension because his condition was not attributable to war service. This man had meritorious war service. So, just exactly when does this Pension Commission award a pension in the case of a serious disability, where the applicant has had meritorious war service.—A. First of all, Mr. Quelch, you say that this condition occurred “a few months” after the man’s discharge. I wonder just how many months constitute just “a few months”? Right there you raise a doubt in my mind in respect to that particular case.

Mr. BENTLEY: An English judge has recently ruled that anything under seven is a few.

The WITNESS: With respect to the application of section 21, the Act says:

21 (1) The commission may, on special application in that behalf. . .

There is, first, an application which must be made by the individual. If we were to take every claim that was turned down—and it would do this committee good if they could see the grist from one day’s mill in our board room—and we were to say to those applicants: we cannot grant you a pension as of right; and we have also considered your claim under section 21, we would not be carrying out the provisions of the statute.

I suggest, first of all, that *special application* must be made; and the section goes on to say:

. . . on special application in that behalf, grant a compassionate pension, allowance or supplementary award in any case which it considers to be specially meritorious . . .

“Specially meritorious” deals with the whole record of service, the period of service, the nature of his service; was it service in battle action? Quite frankly, gentlemen, these are the criteria we use. We must. That was the intent and the will, that “specially meritorious” service was battle service.

Mr. BENTLEY: It does not mean that you have to be decorated?

The WITNESS: Not necessarily so at all. I would say that where you have a decoration, then your "specially meritorious" service has been recognized by His Majesty, but that is not required by any means. It is service as a whole we consider.

You will find in the records the actual number of awards that have been made by the commission with respect to World War I and World War II.

The CHAIRMAN: Do I take it that it is the will of the committee to take a vote on Dr. Blair's resolution the first thing tomorrow morning? That will, as I understand it, conclude our deliberations for this session on the pension bill. As I mentioned at the beginning, we have arranged to have the Canadian Legion make their supplementary representation tomorrow morning with respect to war veterans allowance. Besides that, we will have the National Council of the Imperial veterans—they do not call themselves that, but it is the same group—here on Tuesday.

I think, then, gentlemen, if the steering committee will remain behind for about five minutes—

Mr. MOORE: Will the committee be dealing with representations from the Merchant Marine too?

The CHAIRMAN: The committee is empowered to hear representations from all allied organizations which benefit under the Department of Veterans Affairs legislation. We already have had an application and it was decided at the beginning that we would hear them when we concluded the veterans' legislation. Some of them have made application and they were told that those who applied would be heard by the committee. So the answer with respect to the Merchant Marine is "Yes", but not for some time.

Is there a motion that we adjourn?

Mr. ROSS: I move that we adjourn.

The CHAIRMAN: It has been moved that we adjourn. All those in favour?

Carried.

The committee adjourned.

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(SESSION 1947-48
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 16

FRIDAY, MAY 7, 1948

WITNESSES:

- Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman,
Canadian Pension Commission;
- Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pensions
Advocate, Department of Veterans Affairs;
- Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board;
- Major-General C. B. Price, Dominion President, and Mr. J. C. G. Herwig,
General Secretary, Canadian Legion of the B.E.S.L.;
- Mr. Len Owen, First Vice-President, Imperial Division of the Canadian
Legion of the B.E.S.L.

MINUTES OF PROCEEDINGS

FRIDAY, May 7, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch presiding.

Members present: Messrs. Baker, Belzile, Bentley, Blair, Blanchette, Brooks, Cruickshank, Diekey, Dion, Emmerson, Fulton, Gauthier (*Portneuf*), Gregg, Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, McKay, Marshall, Moore, Mutch, Pearkes, Quelch, Ross (*Souris*), Winkler, Wright.

In attendance: Mr. J. L. Melville, Chairman, and Mr. H. A. L. Conn, Deputy Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, and Mr. C. B. Topp, Chief Pensions Advocate, Department of Veterans Affairs; Mr. F. J. G. Garneau, Chairman, War Veterans Allowance Board; Major-General C. B. Price, Dominion President, and Mr. J. C. G. Herwig, General Secretary, the Canadian Legion of the B.E.S.L.; Mr. Len Owen, First Vice-President of the Imperial Division of the Canadian Legion of the B.E.S.L.

The Committee resumed consideration of Mr. Blair's motion of May 6, viz:

That the Committee recommend that section 62 of the Pension Act be amended by deleting the words *be entitled to draw and shall* in the fifth line thereof.

Mr. Melville was recalled and furnished certain information requested at the last meeting respecting South African veterans.

After discussion, and the question having been put on Mr. Blair's motion, was unanimously resolved in the affirmative.

Mr. Melville retired.

General Price was recalled and presented a brief on behalf of the Canadian Legion of the B.E.S.L., and was questioned.

On motion of Mr. Lennard,

Ordered,—That the portion of the Canadian Legion's brief dealing with matters other than War Veterans Allowance be printed as Appendix "A" to this day's minutes of proceedings and evidence.

Mr. Owen was called, presented a brief on behalf of the Imperial Division of the Canadian Legion of the B.E.S.L., and was questioned.

Mr. Garneau was recalled and questioned.

Mr. Herwig was recalled and questioned.

Mr. Woods was recalled and questioned.

General Price and Messrs. Herwig and Owen retired.

It was agreed that witnesses representing the National Council of Veteran Associations in Canada and the Federation of British Canadian Veterans of Canada be heard on Tuesday next; and that following their evidence the committee proceed to consideration of Bill 196, An Act to amend the War Veterans' Allowance Act, clause by clause.

At 12.35 o'clock p.m., the Committee adjourned until Tuesday, May 11, at 11 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 7, 1948.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Order, gentlemen. When the committee rose yesterday morning we deferred judgment on the resolution moved by our medical adviser and seconded by three or four of our lawyers in discussion; we deferred the vote on the resolution in order that we might have an opportunity to have the reaction of the men who would be called upon to administer this section. Before I put the question I think I should ask the chairman of the commission to give us the report which we deferred the vote to hear.

Brigadier J. L. Melville, Chairman, Canadian Pension Commission, recalled.

The WITNESS: Mr. Chairman and gentlemen, Dr. Blair's motion was with respect to section 62 of the Pension Act, line five, that the following words be deleted, "be entitled to draw and shall." I called a meeting of my commissioners yesterday afternoon and we are very pleased indeed to accept the recommendation advanced by Dr. Blair, and in so doing let me state on behalf of my colleagues that we will note carefully the minutes of the meeting and endeavour to comply with the intent as expressed by Dr. Blair and those who spoke in favour of that amendment.

Mr. BLAIR: Hear, hear.

The WITNESS: To complete information for which we have been asked, I think there is one item only. Mr. Bentley, if I remember correctly, asked if it would be possible to give detailed information regarding the number of those who were in receipt of South African veterans' pension and the liability. I got that information from the ministry representative and our chief treasury officer and it is as follows:

SOUTH AFRICAN WAR (Supplementary Awards)

Disability—25 awards in payment.

	Per Annum
Canadian rate	\$7,638.00
Less credit received from B.M.P. £989·1·8 per annum at \$4.02	3,976.11
Cost of supplementation	\$3,661.89

The practice is, gentlemen, that we issue a cheque in the some way as we do for all Canadian pensioners; then we bill the British ministry and receive from them the proportionate amount of their liability.

Dependents—2 awards in payment.

	Per Annum
Canadian rate	\$1,440.00
Less credit received from B.M.P. £190·6·4 per annum at \$4.02	765.07
Cost of Supplementation	\$ 674.93

SUMMARY

	Per Annum
Disability Supplementation	\$3,661.89
Dependent Supplementation	674.93
Total Cost of Supplementation	\$4,336.82

The CHAIRMAN: Gentlemen, before I invite further discussion and put the motion on the question, I should like to welcome the chief of the Canadian Legion to our committee deliberations this morning. General Price has just come in while the chairman commission was speaking. I do not think I need say to you, sir, that this committee regards your organization with almost, I might say, an unusual degree of favour, they having recommended to the consideration of parliament nearly everything you have asked for so far this session, and on one or two occasions in the language of your own brief. I need not point out to you, sir, that does not necessarily mean the implementation in legislation, but it does show more sincerely than the applause of the committee indicates to you and through you to your organization the regard in which the efforts of the Canadian Legion are held, and it is a tribute to the sincerity of your presentation. Perhaps I ought to add to that a word of warning that that should not induce you to go after us too hard when you are called to the table in a few minutes to continue your presentation.

The question is now on the motion of our medical adviser, and approved by most of our lawyers on the committee and now given the expression of approval by the commission itself.

Mr. FULTON: Mr. Chairman, yesterday you will recall that I mentioned a case off the record which I will not refer by name today, and the chairman of the commission was kind enough to say he would try to get the decision in that case and let me have it. It is the case—

The CHAIRMAN: Has this a bearing on the motion?

Mr. FULTON: On the benefit of the doubt clause? Yes.

The CHAIRMAN: You may proceed.

Mr. FULTON: This is the case of a tubercular veteran whose tuberculosis was not established definitely until 1928. Since that time he has been appealing for pension. He has gone through the whole procedure twice right to an appeal, application for leave to reopen, application granted; and he has now gone before a second appeal board without yet having obtained, as far as I know, a favourable decision.

Yesterday the chairman of the commission said he would try to get a decision of the last hearing of appeal which was held at Kamloops, I think on the 19 of April. I said that if the decision was adverse I would ask for leave to bring that specific case before this committee with a view to trying to obtain from the committee a recommendation which might guide the Pension Commission in further dealing with the case.

Unfortunately, the chairman has not been able to give me the decision because I understand that the commissioners who formed the appeal board are not all back in Ottawa and they have not made their decision. What I

want to say at this time is that after we have voted on Dr. Blair's motion I believe that will conclude our consideration of the Pension Act, and I would like again to give notice that I should like to ask leave of this committee should the decision finally as announced be adverse to bring up this case. I say so at this time because I say it involves very directly and seriously this question of the benefit of the doubt.

I would like to give a brief outline of how that particular question is involved so you can see that I am justified, should the decision be adverse, in asking to have this matter considered by this committee.

The CHAIRMAN: You are quite in order in speaking of a specific case which is illustrative of a principle which is before the committee. It would not be possible, except by a complete reversal of the policy of the committee generally, to make a resolution based on a specific case; that could only be done by the unanimous consent of the committee—I cannot say anything beyond that—once this motion is put. At the moment you are in order.

Mr. FULTON: I say that I regard this case as being very important, and I would like to say now in case I bring it up later that the Legion has worked like Trojans on this same case. I know they appreciate my views that should the decision be adverse I would feel bound to come before this committee and say, "Here is a case which I think is so hard that it requires rectification, and the only way in which it can be rectified is by this committee considering it individually"; and if you wish to pass an individual resolution or recommendation to the Pension Commission I would be prepared to take that action. As I say, I shall have to ask for leave to bring this case in as the Pension Act consideration will have been closed. Therefore, I am serving notice that I will ask for this leave if the appeal board's decision is adverse.

Mr. QUELCH: Mr. Chairman, would it not be possible to postpone this matter to the next meeting in view of the fact that we have the president of the Legion here to give evidence?

Mr. FULTON: We are shortly to have a vote on the question of the benefit of the doubt, and I want to cite this particular case before that happens. I shall only be two or three minutes.

In this case the tuberculosis condition of the veteran was not finally established until 1928. Since that time he has been applying for pension on the grounds of a tuberculosis condition caused by war service. After many hearings the commission finally ruled that the matter had not been brought within the realm of reasonable doubt. Therefore, they said that on the evidence before them they found against the pensioner. The point I want to make is this: here we have this section that Dr. Blair has referred to, which says that the pensioner shall be given the benefit of all reasonable doubt on the evidence before the commission. If the commission rules that the matter has not been brought within the realm of reasonable doubt they then preclude themselves from giving the applicant the benefit of the doubt, and it is that practice that I want to bring in question here; and I certainly think it indicates that we should strengthen the section which Dr. Blair has brought up.

Finally I want to say that I have a long letter here with particulars, and I want to point out in this case that there were nine medical experts in favour of the contention put forward by the applicant and only two medical experts who gave evidence against his contention; it is a case of nine to two; and in the light of those circumstances the ruling that the matter had not been brought within the realm of reasonable doubt seems to me to be extraordinary. Since the fact is that that ruling precludes the commissioners from giving him the benefit of the doubt I think we must certainly vote in accordance with Dr. Blair's resolution, and I certainly hope that this committee will agree that should the decision which I have referred to be adverse then I should be given leave to bring this case up as a special case.

Mr. CRUICKSHANK: Mr. Chairman, on a point of order, may I say that I think it is very unreasonable to permit Mr. Fulton to bring individual cases before this committee. Every member of this committee has equally important cases which he would like to bring forward and get on the record. I am going to support Dr. Blair's recommendation, because Dr. Blair knows what he is talking about. With all due deference to the honourable member from Kamloops, may I say that Dr. Blair is a medical man; but I object strenuously to individual cases being brought up here. I am going to support Dr. Blair's motion, but I am not impressed in the slightest with the arguments advanced by Mr. Fulton because he is taking an unfair advantage of the rest of us in bringing in individual cases here—no, just a minute, Mr. Chairman, I am entitled to have my say, because I am one of the few who consistently support the Canadian Legion in every recommendation they make.

Some Hon. MEMBERS: Oh, oh.

Mr. CRUICKSHANK: Well, I am one of the few.

Mr. PEARKES: I do not think that is fair

Mr. CRUICKSHANK: I do not care whether you like it or not.

The CHAIRMAN: Order, please.

Mr. CRUICKSHANK: If Mr. Fulton can bring cases I am going to bring cases from my riding before this committee.

The CHAIRMAN: Gentlemen, permit me; this is something that I must deal with at this point. Mr. Cruickshank is well within his rights in objecting to the introduction of individual cases before the committee by resolution. Before Mr. Fulton spoke I pointed out to the committee, Mr. Cruickshank, that the introduction of such a resolution could only be done, in view of the long practice of this committee, by unanimous consent, and Mr. Fulton accepted that and said he proposed to table the matter and at a future date ask for that consent.

Now, Mr. Fulton was perfectly within his rights this morning in citing a specific case which had a bearing on the resolution which is before the committee. Mr. Fulton is not now asking the committee to allow him to introduce a resolution based on this specific case. If he does so at a later date, as he has given notice that he will, then you and every other member of the committee will be within his rights, as members of the committee, to object to that practice, and the chair will listen to objections. I think Mr. Cruickshank, you are in error in suggesting at the moment that Mr. Fulton has violated any of our rules; he has simply said that there is a possibility at some future date that he may ask for the unanimous consent of the committee to deal with a certain situation, and at that time we will deal with that situation.

Mr. BROOKS: Mr. Chairman, I do not wish to take up much of the time of the committee, but I wish to speak to section 62 and the amendment to that section which has been moved by Dr. Blair. I have read the section over and frankly I could not see where the amendment changed the sense of that section very much. Our object here, of course, is to strengthen the section, if possible, and I agree with Mr. Fulton that unless it does strengthen the section there is something more that needs to be done to section 62.

The chairman said that he and his commissioners discussed this matter, and we are certainly very pleased to know that they feel they can recommend this change. What I should like to know is do they consider this change which we are moving for and which they are recommending is going to assist them in giving the soldier the benefit of the doubt, any more than the section does at the present time? I would like to ask the chairman of the commission if those words "shall be entitled" in his opinion impede the commission in giving the soldier the benefit of the doubt, and does he or his commission believe that in removing those words we are going to strengthen the section, and that the soldier

will receive the benefit of the doubt under the Act, under the section as amended, any more than he did before. Mind you, I understood him to say that he would take into consideration what had been said here at this table.

Now, are the words that have been spoken at this table to be taken as the basis on which the commission will give the soldier the benefit of the doubt in future or is this amended section going to be the basis on which he feels the section will be strengthened and he can give the soldier the benefit of the doubt?

The WITNESS: May I reply to Colonel Brooks' last few words? First of all, may I say that the answer would be both; we would give careful understanding and consideration both to the amendment and to what has been expressed. It was stated yesterday and I think very rightly with regard to this section in the Act that first of all the commission "shall be entitled to draw". That is a question of privilege; and we are entitled to do something. The following few words constitute a mandate; it says we "shall draw". Now, Dr. Blair is of the opinion from close study and association with the problems—not he alone, but other members of the commission—that it might improve the situation and it might help toward the establishment of a more generous or broader view in the extension of the benefit of the doubt.

I said I did discuss this matter with my colleagues yesterday afternoon. On the face of it, there may be no great material difference, but even if there is a shade of difference, of benefit to the applicant for pension—and bearing in mind the observations which have been made by the various members of the committee—then most certainly we will endeavour to apply it to carry out your expressed intent.

Maybe to a lawyer that does not sound very good, Colonel Brooks, but I may sum it up and say it is honesty of purpose.

Mr. BROOKS: Do you consider that the taking out of this phrase strengthens the Act as far as the benefit of the doubt is concerned?

The WITNESS: Very little.

The CHAIRMAN: I want to say as a layman—and many of the members of the committee are laymen—that the reaction of the committee has obviously been that this did strengthen the mandate. No one can tell what takes place in the mind of another man; but if there is any chance of it having that effect perhaps we can do something about it. Are you ready for the question?

Mr. ROSS: Just a moment; I am not a lawyer, I am a very ordinary layman. I agree that this amendment of Dr. Blair's certainly does strengthen the entire situation in connection with these doubtful cases. I do not think there is a member of the committee who has not had some of these doubtful cases brought to his attention. Certainly, as that section was worded, there was an element of doubt. I think this amendment eliminates it and strengthens the position greatly.

The CHAIRMAN: It helps those of us who are not lawyers.

Mr. ROSS: Certainly, it does. I am not a lawyer. I was very happy to hear the comments of Brigadier Melville this morning. I would think with the experience we have had and the events which have led up to this amendment, surely there would not be anyone who would vote against this amendment. We have all had a similar experience to that which Mr. Fulton has set forth. I may say I am going to support this amendment.

Mr. QUELCH: I am going to support the amendment. However, as I said yesterday, I do not think this amendment will make any difference to the section. As Brigadier Melville has said the section is already mandatory without this amendment. When you take these words out, you are not changing the situation.

Mr. ROSS: There is a doubt there.

Mr. QUELCH: This section reads, "shall be entitled to draw and shall draw—"

Dr. BLAIR: But you will leave in the words, "and shall draw".

Mr. QUELCH: So, you are not really changing it.

Dr. BLAIR: You have got rid of, "and entitled to".

Mr. QUELCH: Brigadier Melville said it might possibly be some good so, for that reason, I will support it.

The CHAIRMAN: May I ask a question? Do you not think that the feeling of this committee which lies behind the change may possibly have a good deal more weight than the actual change in the words?

Mr. QUELCH: We thought that is 1946. We spent longer on this matter in 1946 than we are spending now. At that time we moved more amendments, far stronger amendments, than this one in order to assure that the benefit of the doubt would be given. Did that have that effect? Does Dr. Blair say that since 1946 all cases requiring the benefit of the doubt have received the benefit of the doubt as the result of the discussions which took place in 1946?

The CHAIRMAN: That is not a fair question. What you mean is, have more cases received the benefit of the doubt. You never get perfection. I think you should ask Dr. Blair, has the situation improved?

Mr. QUELCH: All right, I will ask him that. I am not blaming the pension commission. I realize the very difficult position in which they are because, to a large extent—I know you will immediately deny this—to a large extent, behind this whole matter you have the question of government policy.

Do not forget what happened in 1938. The chairman of the committee remembers only to well what happened in 1938 when we were considering the right of pensioners to make further applications for pensions. We were asked to put a retroactive clause of one year in there. The reason given for that was unless we limited the retroactive clause to one year or eighteen months, the result might very well be that a pensioner might not get a pension at all because it might be the pension would have to be paid for a period of ten years and the cost would be so great no pension would be granted. The minister, at that time, then went on to say, unfortunately, it is not so much a question of what the soldier should have but what the country can afford.

The CHAIRMAN: Mr. Quelch, I agree—

Mr. QUELCH: Those were the words that were spoken. He said, unfortunately, so that shows that behind the whole question you have the question of government policy which has to be considered by the staff in general.

The CHAIRMAN: Just a moment, please. Since Mr. Quelch has coupled me with this, I do remember extremely well what happened in 1938. I remember that the committee was substantially moved by the fact that there was a fear existing, not in the government's mind, but in the minds of all of us that the veteran might suffer as a result of the fact that the backlog of pension was so excessive. We had cases in excess of \$15,000.

I think the veteran legislation of this country has, a long time since, passed the stage where we could say we are motivated by financial policy primarily. Certain governments cannot avoid the financial responsibility to the people of Canada. After all, there are 115,000 veteran taxpayers of this country for whom no one speaks in this committee very often. They are a group of veterans who have to be taken into consideration. You cannot avoid financial responsibility.

Anyone who was a party to making this book or the legislation which has been adopted since 1941 in this country is not seriously advocating that this government has or any other government would be primarily motivated by financial consideration. The record of this committee is against that.

Mr. QUELCH: Nevertheless, the question of financial responsibility is always in the background. The question of the cost had to be considered. We

had a statement from the minister that \$12,000,000 had been allocated and perhaps more money would be given later. In all government expenditure, whether it is veterans affairs or anything else, there is always the question of cost behind it. It is bound to be so. Time and again, we have had statements from ministers that the officials of the various departments lean backwards in order to give the soldiers the benefit of the doubt. Well, the officials should not have to lean backwards. The legislation should be sufficiently clear and plain that the various officials are able to give the veteran absolute justice without having to lean backwards. Any time an official of the Department of Veterans Affairs has to lean backward in order to give a veteran the full benefit of the doubt, you are putting the official in a very awkward position.

Mr. WRIGHT: I am going to support Mr. Blair's amendment because I think it is the desire of this committee, and to express to the chairman of the pensions committee the opinion of this committee that, so far as the benefit of the doubt is concerned, we are not altogether satisfied that, in all cases, the benefit of the doubt has been given. We are trying to strengthen this section. Now, the commissioner must have obtained from the committee the impression we want every case where there is a doubt to receive the full benefit of that doubt.

If after another year or two we come back and find there are cases again in which there is doubt as to whether the benefit of the doubt has been given, then we may want to strengthen the Act further. I think that is all we can do in this committee.

The WITNESS: If you will bear with me for one minute, gentlemen, I wish to add a few words to what has been said. If the benefit of the doubt were extended to everybody, there would be no doubt. The point is this; there are cases every day, and there are dozens, wherein that benefit of the doubt is extended, but you gentlemen do not hear about them. The pension award is made, it has gone into payment and you have a satisfied member of the forces. After all, the benefit of the doubt is something which is cradled in the balance of justice and we are endeavouring, as has been said, to lean over and extend that to the very fullest extent. But I do say this, and I know it, that the benefit of the doubt is extended in a great number of cases. I think it is only fair to the commission I should make that statement.

Mr. HERRIDGE: I wish to say I am going to support Dr. Blair's amendment for the very same reasons as advanced by Mr. Wright.

The CHAIRMAN: I believe we all are when we get the chance.

Mr. HERRIDGE: I am very pleased to hear the Chairman's statement on this motion. The value of this discussion is, possibly, not entirely in the amendment, but the fact that in bringing about the amendment the committee had an opportunity of expressing its views. I believe, Mr. Chairman, this committee owes a debt of gratitude to Dr. Blair for bringing forward this proposal and for the information he gave this committee. I am sure it has been very valuable to all of us and particularly to a dirt farmer like myself.

The CHAIRMAN: Before I introduce the question, I want to say one word. While I do not deny the suggestion of the financial responsibility of the administration in these matters, I think if the time ever comes—I do not think it ever will—when the committee allows itself to lose its sense of financial responsibility, to say nothing of the government, I believe the rather wonderful record we have of our recommendations carried through will probably stop no matter what government is in power.

The question is on the motion of Dr. Blair,

That the committee recommend that Section 62 of the Pension Act be amended by deleting the words "be entitled to draw and shall" in the fifth line thereof.

Those in favour of the motion will please rise? Contrary, if any?

I declare the motion carried.

Carried.

This ends the formal discussion of the pension bill. In accordance with what I said the other day, I shall have prepared immediately the report of the committee which will report Bill No. 126. It will go to the House without amendment, since we have no power to amend, but pointing out to the administration that we carried it subject to strong recommendations contained in the third and fourth and in our final reports. Then, I shall bring that draft form to the attention of the steering committee and if they approve it, it will be tabled forthwith in the House.

Hon. Mr. GREGG: In conference with you and the steering committee thereafter, I will attempt to seek to have the Bill returned to the committee of the whole as early as possible.

The CHAIRMAN: Before I dismiss from the head table the Chairman of the Pension Commission who has sat with us during many days, may I add to your remarks of appreciation, on your behalf, a word of thanks to Brigadier Melville for his attention to our requests and for his very obvious desire to be helpful to this committee during our sittings. Thank you, very much.

The WITNESS: Mr. Chairman and gentlemen: it has been an inspiration and encouragement not only to me but to all my colleagues and to the staff of the commission throughout the country, because the minutes of these proceedings are studied with care and great interest. I cannot help but recall to mind a few lines which Mr. Churchill used about two years ago on his last visit to the United States. He spoke before a group of senior officers and these were the lines:

God and the soldier we adore
In times of danger, not before,
The danger past and wrongs are righted,
God is forgotten and the soldier slighted.

The deliberations of this committee are evidence of the opposite. I say it has been an inspiration to be associated with this special committee on veterans affairs, not only at this time, but in former years. I thank you for bearing with me on many occasions when, perhaps, I have been a little too assertive and might have been brought to order. Thank you, very much.

The CHAIRMAN: The clerk has had distributed to you a copy of the brief on which I spoke this morning which will be delivered by General Price, the head of the Canadian Legion. When we sent out the notices to the Legion and to the National Council of Imperial Veterans who will appear on Tuesday, we asked them to make whatever representations they intended to make to this committee at this appearance because the committee is, like the House, beginning to feel the urgency of time. General Price plans, this morning, to deal with the representations of the Legion in connection with the war veterans' allowance which is before us. When he concludes that, you will have an opportunity of questioning him if you so desire. With the consent of the committee, he will table the Legion's supplementary recommendations with respect to other matters not included in the War Veterans' Allowance Bill.

Major General C. B. Price, Dominion President, Canadian Legion, called:

The WITNESS: Mr. Chairman and gentlemen: may I first, sir, thank you for your most kind welcome this morning. It was very heartening to hear your kind words about the Legion. With regard to your note of warning, I think on our last appearance we made it quite clear the Legion gives most carefully consideration to every point of view, even to the taxpayers, among which we number our-

selves, as well as to our comrades' needs. We endeavour to come with an absolute minimum request. On any question, we do not put down 100 per cent more than we think we might get. Everything is based on that principle.

May I also, sir, thank you for this opportunity of completing our brief, the pensions part of which we gave on March 15. I should like, sir, if I may, to express at this time the very great appreciation of our Legion members and our ex-service men in general across Canada for the endorsement of our recommendations on the pension proposal. I can assure you, as Brigadier Melville has said, that the morale of our people across Canada went up very materially with the announcement of your vote. I know you will not misunderstand me if I say—we are all interested in the ex-service men—that we are particularly happy at the non-partisan aspect of the consideration of these problems which was maintained in the committee because the welfare of the people we are trying to serve is completely bound up in that principle.

As your chairman mentioned, there are several important matters in our brief this morning but, in order to save your time, we feel we need to go into detail only on the War Veterans' Allowance aspect. The other matters can be tabled and our officials will be available to give any explanation of them which you desire.

At the close of my remarks on the war veterans' allowance I am going to ask your permission to have Mr. Len Owen, the vice-president of the Imperial Veterans' section, add to the brief some special remarks concerning their problems. They suffer under some very special handicaps and I hope the committee will give them consideration.

If you will turn to the brief, you will see our first recommendation concerns increased rates, in general, under the War Veterans' Allowance Act.

The recommendation is,

1. Increase in Rates

Recommendation—That War Veterans' Allowance rates be increased to \$50.00 per month for a single recipient, and \$85.00 per month for a married recipient.

Comments—These rates are proposed as more nearly meeting present day living costs on a subsistence level than the increases proposed by the government. The plight of the recipients of war veterans' allowance is exactly the same as the pensioner; the rising cost of living is depressing his already low standard.

A serious objection to the government proposal, in addition to its inadequacy, is the fact that it is a supplementary allowance and not an automatic increase thereby imposing a double means test.

We have to bear in mind that the cost of many of the bare necessity items in a family budget have risen far beyond the 50 per cent over-all cost of living index; for example, food has increased 86 per cent, clothing 65 per cent, and retail commodities generally have increased 70 per cent. These increases are particularly hard on recipients of war veterans' allowance, the majority of whom are living at the subsistence level. The probable increase for them therefore is between the 70 and 75 per cent.

In the case of married couples, the government's proposal does not even reach the \$80 per month level established by some provinces for old age pensions, where both are eligible. Furthermore, in some provinces medical treatment is also provided for both man and wife.

2. World War I Veterans with Service in Great Britain

Recommendation—That the benefits of the War Veterans' Allowance Act be extended to Canadian veterans who served in Great Britain only during World War I.

Comments—In the case of veterans of World War II, England has been recognized as a theatre of war. We believe that there is every reason for treating

service in England in the same way for World War I, as physical hardship and detriment to health were assuredly involved. In the last war there was nothing comparable to the conditions under which the First Division lived on Salisbury Plains in the winter of 1914-15, where many men died or suffered broken health.

War Veterans' Allowance is now being paid to men with Canadian service only under the dual service provisions of the Act. The Legion claims that men with service in Great Britain during World War I have a better claim to consideration than men with Canadian service only because they left their homeland to serve. We believe the present situation is a discrimination against the veterans of World War I.

3. *Imperial Veterans*

Recommendation—That the benefits of the War Veterans' Allowance Act be extended to veterans who served with the Imperial Forces who had no pre-war domicile but whose period of residence in Canada has reached twenty years.

Comments—There is a group of veterans whose service in an actual theatre of war during World War I was entirely with the Imperial Forces and who are not eligible for the benefits of the War Veterans' Allowance Act because they were not domiciled in Canada prior to the outbreak of that war.

This involves a group of Canadian citizens who have lived in this country for upwards of twenty years; they have paid taxes in this period; many of them and their sons and daughters served in the Canadian Forces in World War II.

It is inevitable that a number of these Imperial veterans, now approaching old age, are in the same category as their Canadian comrades who are in receipt of War Veterans' Allowance. Canada pays War Veterans' Allowance to one group of its citizens whose military service was entirely in Canada, under the dual service provisions of the Act, but denies it to another group because their service in an actual theatre of war was with the British Forces. The Canadian veteran is convinced that an Imperial veteran's actual theatre of war service in World War I and his long residence in Canada should entitle him to consideration under the War Veterans' Allowance Act.

I might say, sir, that the Canadian-born members of the Legion feel very strongly on this question. May I, at this point, call on Mr. Owen to finish up the Imperial veterans' part of it?

The CHAIRMAN: General Price, are we to understand that this representation of the Imperial branch of the Canadian Legion is supplementary to the presentation of the Imperial Veterans' organization which has requested a hearing?

The WITNESS: That is another organization; the Imperial veterans do not belong to the Legion.

The CHAIRMAN: I know they do not. Is this a supplementary brief to theirs or supplementary to our own?

The WITNESS: It is supplementary to ours. Mr. Owen is a member of the Guelph branch of the Canadian Legion, which is one branch of our Imperial section. Under his presidency, the branch made a very great contribution to the work of the Canadian Legion and now, as president of the Ontario Imperial section, he is continuing that work. I do commend him to your very earnest consideration and assure you that we regard him, in the strongest possible sense of the word, as a Canadian comrade.

Mr. OWEN: Mr. Chairman and gentlemen, before I proceed with the reading of this brief I should like to say that we are in accord with the Imperial Council. We have had several meetings with them and, as a matter of fact, they have invited me to again come here on Tuesday and assist them in the preparation of their brief, if not in the presentation of it. Therefore, we are entirely in agreement with them in their presentation as they agree with us in ours.

I will proceed with the brief.

As Imperial ex-servicemen who are members of the Imperial Division of the Canadian Legion and represent a large number of Canadian citizens who served in the Imperial Forces, we respectfully submit to the members of this Special Parliamentary Committee on Veterans' Affairs that the War Veterans' Allowance Act be extended to ex-Imperial veterans under the same conditions as to Canadian veterans other than on the question of pre-war domicile subject to residence in Canada for the past twenty years. This has the endorsement and approval of our Canadian comrades of the Legion.

For our representations we have the full support of the Canadian Legion. At different dominion conventions of the Canadian Legion, resolutions in favour of the extension of the War Veterans' Allowance Act to these ex-Imperials have been passed, and in May, 1946, when the Canadian Legion held its biennial convention at Quebec, a resolution was passed by the convention urging the dominion government to grant the extension of War Veterans' Allowance we have referred to.

Canadian veterans have been forced to look to the federal government for protection in social security, and the federal government have recognized an increasing responsibility for such protection. This is borne out by the legislative provisions passed by the federal government for the purpose. Those veterans of the Imperial Forces who are in necessity and who now fail to qualify under said legislation, are forced to fall back upon relief and so become the responsibility of the local authorities. Such a situation may be regarded as contrary to the accepted principles of federal responsibility for veterans and their dependents.

The grave plight of many of these veterans of the Imperial forces, their children and widows may be known to members of parliament through actual cases which have come to light in their respective constituencies but we would like to present the following two examples for the consideration of this committee.

1. A Boer War veteran who came to Canada in 1903, now 68 years of age, whose sons and daughters served in the Canadian forces in World War I and whose grandsons and granddaughters served in the Canadian forces in World War II is denied the benefits of this Measure as provided for Canadian ex-service personnel. This man has no means of support, and after forty-five years as a tax paying citizen of Canada he is forced to subsist on inadequate municipal relief.

2. A Canadian born in Canada went to the States in 1914. After war broke out this man was sent by the British Consul in the United States to Great Britain, where he enlisted in the Imperial forces. Upon discharge, this man immediately returned to Canada. Yet he, Canadian born, absent from his country for only a few months apart from his service, is denied the benefits of the Act.

It is beyond question that the War Veterans' Allowance Act is:

1. Social security legislation, and
2. Non-contributory with respect to its beneficiaries.

The original purpose of the Act was clearly to meet a condition in civil life for those who were "burnt-out" and no longer employable. It therefore provides a solution applicable to the problem under the conditions of civil life and to this extent is a veterans' social security measure. But in its present application this important Legislation has the serious defect of discriminating arbitrarily in its application against those who have every qualification for the benefits of its provisions, except pre-war-service domicile in Canada.

Sometimes it is alleged that, despite the social security provisions in the United Kingdom, there is nothing to compare with the War Veterans' Allowance Act, but those who advance this legislation as a ground for excluding men with Imperial service and so discriminating between the Canadian veteran and the

Imperial veteran under the War Veterans' Allowance Act, overlook entirely the principle involved, which is that, in the United Kingdom, every provision of social security or benefit accorded to veterans of the British armed forces is also accorded to Canadian veterans or other British subjects who settle in the United Kingdom.

We believe that the facts of the situation fully support our submission, and copies of a special memorandum giving the facts and arguments are available for each member of your committee if desired.

We respectfully request the serious consideration of the committee to the urgent human problem which is the subject of this submission and a recommendation by the committee of the solution proposed.

The CHAIRMAN: Thank you, Mr. Owen. General Price, will you resume?

The WITNESS:

4. CANADIAN VETERANS IN U.S.A.

RECOMMENDATION—THAT the three months domiciliary requirement for applicants for war veterans' allowance be removed in the case of indigent Canadian veterans returning to Canada from the United States.

COMMENTS—This concerns a small group of Canadians who served in our forces and who, subsequent to discharge, went to the United States but are not United States citizens. They, therefore, are not eligible for benefits under the American regulations and can be better looked after at home here.

From time to time one of these indigent Canadian veterans seeks to return to Canada to take advantage of war veterans' allowance legislation but his lack of financial resources to maintain himself for three months keeps him out. It is felt that this residence requirement might properly be removed or that some discretion should be permitted in dealing with deserving cases.

The balance of the brief as you mentioned deals with various items, treatment, hospital treatment, rehabilitation, grants under the Veterans Land Act, widows' and children's benefits under the rehabilitation grants. I believe that it would take some considerable time to read. It is so clear that if it is put on the record I think that is all that is necessary, but it is what you wish.

The CHAIRMAN: I am in the hands of the committee. For myself I think we should follow the practice of dealing with one complete piece of legislation at a time. The Legion did get in touch with me before the meeting and suggested that for the convenience of the committee, and in order that you might have their full presentation before you, they would table their supplementary brief, which does not deal with war veterans allowance. You know the headquarters of the Legion is here in Ottawa. They are very faithful in attendance on our meetings, and an opportunity for questioning on any of these points will arise when we deal with them. Will someone move, for that reason, that we table the remainder of the report, and have it included in today's proceedings.

Mr. LENNARD: I will move that.

Mr. FULTON: I will second that.

The CHAIRMAN: Those in favour?

Carried.

The opportunity is now before you to question General Price or Mr. Owen with respect to the presentation which they have made this morning. I should have announced when I rose before—I overlooked it—that we have with us the chairman of the War Veterans Allowance Board, Colonel Garneau.

Mr. BENTLEY: On page 2 dealing with Canadian veterans in the United States your recommendation is that the three months domiciliary requirement for application for a war veterans allowance should be removed, in the case of an indigent Canadian veteran returning to Canada from the United States.

I have in mind several cases that have come to my attention of veterans living in the United States on a very small pension. If those Canadian veterans were in Canada they would be entitled to the war veterans allowance, or they would be entitled to apply for war veterans allowance, and in some cases would likely qualify if they were in Canada. However, for reasons of health it is not good for them to live in Canada. It is necessary for them to live in the part of the United States where they live. Has the Legion given consideration to recommending some kind of action that might make it possible to pay this war veterans allowance to qualified veterans even though they do not live within the boundaries of Canada?

Mr. HERWIG: Yes, the Legion has taken that into consideration and has proposed to the government that an arrangement be made with the United States that war veterans allowance be paid to Canadians in the United States, and I understand some discussions have taken place between the Canadian government and the United States government, perhaps not getting very far but at least introducing the subject.

Mr. BENTLEY: That would mean if an agreement of that kind with the United States were to take place the applications of the men would be handled by their officials over there in a manner satisfactory to the Canadian government? That is the way you would propose it would work?

Mr. HERWIG: We realize there would be quite a number of difficulties in bringing this thing about because of international circumstances, and so on, but I understand it is now under consideration.

Mr. CRUICKSHANK: Does the United States do that for their soldiers who are resident in Canada?

Mr. WOODS: Answering Mr. Cruickshank's question I may say that on the instructions of my minister I went down to Washington on a couple of occasions and discussed this matter, first with General Hinds and later with his successor, General Bradley, as to the possibility of their administering war veterans allowance to Canadian veterans who live in the United States. I must not be critical or disrespectful of their point of view, but it was intimated to us that it would be rather embarrassing. Since they do not have any non-service pension, as they call it, in the United States it is not applicable to Americans who are living out of United States' territory, and it would be embarrassing to them to administer the war veterans allowance in the United States. We did not get any further with the discussion than that, that they are very anxious to co-operate with us, and indeed they do in examining our pensioners down there and hospitalizing them, and so forth, but that when it came to social legislation like this it would be a little embarrassing to them.

I should also point out in reply to Mr. Bentley that this is social legislation, and it is dependent on the need. It is contingent on necessity and, so far as I know, no country carries the provisions of its social legislation outside of the confines of the country in which it is initiated. In other words, it presents difficulties in administration, and so forth. The viewpoint has been taken that if a person is dependent on the state, on the taxpayers of Canada because of necessity, the least they can do is to come to the country in which the taxpayers raise the money for payment.

Mr. CRUICKSHANK: May I ask the deputy minister if the United States have similar legislation in their own country?

Mr. WOODS: They do have what is known as a non-service disability pension. It is payable for disabilities which are not pensionable. Before 1930 it was payable according to the degree of disability, but in 1930 and during the depression and recession in the United States they cut off all pensions except to those totally

disabled, so they do have a pension for the totally disabled person whose disability is not associated with service but is only payable in the United States.

Mr. CRUICKSHANK: But they do not have what we call a burnt out pension?

Mr. WOODS: No. They do have for total disability cases, and they do not have any pension that is dependent on age.

Mr. PEARKES: Could General Price or Mr. Owen tell us how many imperial veterans there are living in Canada now who saw service in an actual theatre of war and who have resided in Canada for twenty years? Could he also say how many of them were Canadian-born and also how many had had domicile in Canada prior to the outbreak of war in 1914?

Mr. OWEN: Mr. Chairman, I am sorry I cannot give you the actual figures that you apparently are seeking, but we have statistics which prove to us there are now in this country some 67,000 imperial ex-service men who served in the first world war. We have no breakdown as to how many of them actually served in a theatre of war, and since we are only claiming that the war veterans allowance should be extended to ex-imperials who served in a theatre of war you will readily understand how difficult it is for me to give you such figures as you are seeking.

The CHAIRMAN: May I interrupt you? You say you are only advocating it for those who served in an actual theatre of war?

Mr. OWEN: Yes.

The CHAIRMAN: If the government accepted the recommendation that for Canadians Great Britain should be considered a theatre of actual war in the first great war for the purposes of this Act then would you be recommending that imperial veterans who had not served outside of England, which was their home country, would also be eligible?

Mr. OWEN: Definitely not. England was not a theatre of war for the British ex-service man, but it definitely was for Canadians. I think the Canadian Legion can handle that very well.

The CHAIRMAN: I wanted to make sure you were not overlapping.

Mr. OWEN: We feel the Canadian Legion is quite justified in asking that the Act be extended to those Canadians who left their homes to serve and were subject to bombing on Salisbury plain, and conditions on Salisbury plain. There has been an attempt to break this figure down. In one part of the brief which you have before you, the supplementary brief, on page 5—

The CHAIRMAN: That is the brief which was tabled? Is that not right?

Mr. OWEN: It is the brief which was tabled and not read, tabled by the Imperial division.

Mr. PEARKES: That has not been handed around.

The CHAIRMAN: It is a part of the brief from which General Price read, page five.

Mr. OWEN: No.

The CHAIRMAN: Oh, the Imperial brief; we have not got that.

Mr. OWEN: It is coming around now. May I speak to it while it is being distributed. In 1946 it was estimated there were 4,639 veterans and 185 widows who may be entitled to war veterans allowance. I am led to understand that figure was based only upon those who had served in a theatre of war and who may become entitled to it, but their actual physical condition may have been such they were not in need of it. Of the number of 67,000 we estimated only 4,639 veterans and 185 widows may be entitled to war veterans allowance. That number, of course, has been reduced considerably due to the death rate which is estimated at about 3 per cent. The figure now would be near 3,900 as taken from the figures as tabled in 1946.

Mr. PEARKES: They would all have been in Canada for 20 years?

Mr. OWEN: Yes.

Mr. PEARKES: And a certain percentage of them would have been domiciled in Canada before the outbreak of war in 1914?

Mr. OWEN: No, sir; they would be eligible now if they were.

Mr. PEARKES: May I get this point cleared up because I do not think they are unless they were domiciled in Canada immediately before enlistment.

Mr. WOODS: That is right.

Mr. PEARKES: I am asking how many of those were domiciled in Canada prior to enlistment but not immediately prior. You have had the case here of the Canadians who went to the United States. There may be many cases—I know of some myself—of men who emigrated from England in the early years of the century and who went over to England immediately before the war, at least, a few months before the war, and they did not come back to Canada. They joined up with their old regiments and went overseas. Those people were domiciled in Canada.

Then there is another class which may not be very large, but I know of some who were Canadian born and later have gone over to England. I know of one case where a man went over to England in order to take a university course and he did not come back to Canada. He joined up in 1914 with an Imperial unit.

Then there is still another class of Canadians who were born here and who left the Royal Military College and who served in the Imperials. That is another class of Canadians who were serving in the Imperial forces, who were living in Canada before, and who are not eligible for the war veterans allowance.

I am 100 per cent in favour of extending this to the Imperials, but in order to strengthen the case, because I realize there are various groups, I should like to try to get figures as to those who were domiciled in Canada before who were Canadian born. I want to get it cleared up because I have been interrupted already today and it has been suggested that a man who was domiciled in Canada and served with the Imperial forces is entitled to the allowance. I say he is not unless he was domiciled immediately before.

THE CHAIRMAN: I think Colonel Garneau, the chairman of the board, is best equipped to answer Mr. Pearkes' question.

Mr. PEARKES: I am only insisting on it because the deputy minister rather intimated I was wrong.

Mr. GARNEAU: Mr. Chairman and gentlemen, I do not think that there are many of those cases that General Pearkes has mentioned specifically as having been domiciled in Canada and leaving immediately on the eve of the war, that we have not considered rather carefully and favourably, I would say. Where we have been stymied, so to speak, is in the case of the ex-Imperial who probably came to Canada, let us say, in 1908 or 1909, stayed here until 1912 or possibly 1913, and then left either to settle an estate or make some arrangements at home, and then later enlisted in the Imperial forces. In view of the provisions of the Act we felt we could not admit an ex-Imperial of that category.

We have also had others who left Canada very shortly before the beginning of the war and who took up civilian employment in England and only enlisted in 1916 or 1917, either under draft or under revised medical categories, and finally did serve, but two or three years elapsed possibly between the time of their departure from Canada shortly before the war and the time of their enlistment in England. It was not, so to speak, primarily for the purpose of enlisting that they went there.

As far as the case of Canadians who were Canadian born, for instance, the case you mentioned of a chap who might have gone to R.M.C. and then had gone over from there I sincerely do not believe that we would have turned down

that type of case, that of a Canadian born citizen who went to the Camberley or Sandhurst, or some other place, and then was offered a commission and served with the Imperials. We would consider him to be a bona fide resident of Canada who happened to be over there at that time. I do not know if that answers the question completely, but I would be interested in getting any specific names you might have and would be very glad to review such cases. We have tried to extend it as much as we could.

Mr. HERRIDGE: I was going to suggest that it would be a good idea that we ask our questions on one particular topic and then move on, so as not to get questions on different subjects interspersed in the record.

The CHAIRMAN: I am in the hands of the committee on that.

Mr. HERRIDGE: I was interested in the question raised by Mr. Bentley regarding the Canadian veterans resident in the United States and their situation with regard to war veterans allowance in that connection. In view of the responsibility we have to a lot of Canadian veterans who are residing in Canada and who have seen fit to reside in Canada and contribute their working and productive life to the Canadian economy, I should like to ask General Price if he considers that we have a moral responsibility to veterans residing in the United States who have seen fit to contribute their working and productive life to the United States economy rather than to the Canadian nation.

The WITNESS: We feel in these special cases that there is a moral responsibility.

The CHAIRMAN: If they want to come back?

The WITNESS: If they will come back. It is a question of coming back to Canada. It is true that in most cases that do come back they may not be able to contribute very much because they are practically indigent, but while it is not perhaps a legal responsibility we feel that it is a moral one.

Mr. BROOKS: I should like to ask a question in that connection. Would that not be the argument that is being used for the Imperial veteran who came to Canada and has been here for 20 years or more and has helped in the economy of this country, that he should be the responsibility of the Canadian people as far as his illness is concerned? That would be the reverse argument to what you used.

Mr. HERRIDGE: That is why I asked the question.

Mr. BROOKS: I thought you were asking about those in the United States.

The CHAIRMAN: Your point, Mr. Brooks, is that the argument against the one is an argument against the other?

Mr. BROOKS: No, no. The argument against a person who went to the United States can be used as an argument in favour of the Englishman or Imperial who is here in Canada.

The WITNESS: It is a little difficult to class the two in the same legal argument. We feel very strongly about the United Kingdom men. They are a very big class. They have become our citizens in the fullest sense of the word, and in proportion to their numbers I do not suppose there is any part of our population has made a greater contribution to our armed forces in the younger generation.

Mr. HERRIDGE: I should like to ask another question. I am not quite clear. Reference was made previously to some discussion concerning administration of this Act by United States authorities, if it were passed. From that I judged it was intended that we would pay war veterans allowance to Canadian veterans who wished to continue residing in the United States. General Price said provided they returned to Canada.

The CHAIRMAN: Mr. Herridge, General Price is speaking to his brief. The brief recommends doing something for men who return to Canada. The subse-

quent discussion based on the question of Mr. Bentley was to discover whether or not representations had been made to make this applicable to those who continue to reside in the United States.

Mr. HERRIDGE: General Price's answer was to the brief and the national secretary of the Canadian Legion mentioned that it was Canadian Legion policy to advocate paying pensions to veterans who wished to continue to reside in the United States.

The CHAIRMAN: And to that, if I followed it, Mr. Herwig said that consultations had taken place with the government with a view to finding out whether such situation was feasible.

Mr. HERRIDGE: That was not the exact wording.

The CHAIRMAN: If he has anything to say more strongly he will have an opportunity to say so. The deputy minister said that those representations had been made to the minister and the minister had twice sent him to the United States.

Mr. HERWIG: That is right, Mr. Chairman. We are, perhaps, pioneering in this reciprocal treatment of veterans throughout the empire first and in an auxiliary way in the United States. Because of the numbers that do cross the line for various reasons we have to include them. Veterans go to the United States for different reasons, not all because they want to shed any responsibility here. Some go down for health reasons. Certainly, our branches in the United States feel strongly about this situation. If there are tough cases—I am speaking of tough cases—that they cannot do much for in the United States, they know that if these fellows go back to Canada they can go on the veterans' allowance. What we are asking in the fourth recommendation is to facilitate that as much as possible. We have tried to get this developed as much as possible while a man is in the United States so that when he comes back he will go on war veterans' allowance.

Mr. CRUICKSHANK: Do you refer to a Canadian soldier who took out his American citizenship and then decided to come back? The reason I am asking that is that I understood your brief to say that one of the objects is that he has to be three months in Canada. Under our immigration laws if a man cannot sustain himself for three months he would not be allowed into the country. Surely you are not recommending that we accept into the country an indigent, no matter what citizenship he has had or if he is adopting the citizenship of another country? It throws your whole immigration law wide open.

Mr. HERWIG: First of all, we have not had any cases where any of these chaps have become American citizens. If they had then they would have become fully entitled to whatever the American regulations are—social legislation.

Now, let us look at the other point. We say that if you let him in he is no longer an indigent because he is entitled to the war veterans' allowance and therefore the indigency aspect disappears.

Mr. CRUICKSHANK: I think it throws our immigration laws wide open. As I understand it, one of the objectives you have is that a man has to reside in Canada three months. He is either indigent or he is not. If he could not keep himself for three months how could he get in?

Mr. HERWIG: There is a sense in which anyone who receives sustenance from the state may be called an indigent, but what we are after is to get this man back to Canada on war veterans' allowance, and from our point of view he ceases to become an indigent under those circumstances and our immigration laws would not prevent him coming in because his sustenance would be taken care of.

Mr. CRUICKSHANK: Are you speaking about an American citizen who was formerly a Canadian?

Mr. HERWIG: A Canadian entitled to the war veterans' allowance would not be an indigent.

Mr. BROOKS: He would not be under the United States laws; he could come back any time he liked.

Mr. LENNARD: There were American citizens who came over and enlisted in the Canadian army and it may be that they went back to their homes and were demobilized and later may wish to come and reside in Canada; they would be entitled to all the provisions of the War Veterans' Allowance Act provided—

The CHAIRMAN: That they were domiciled here. Your proposition is different, I think. There were cases during the difficult times in the North American continent. Men had served in the Canadian army and thereby assumed Canadian citizenship and renounced it and went back to the United States and they sought to come back during the thirties and they did in fact come back. Not being indigent they were able to come back to Canada. Our legislation provides for them the same as it does for a Canadian, provided they are residents of Canada. If he could come in and establish residence that man we refer to is still protected; is not that right?

Mr. QUELCH: Coming to recommendation No. 1, it states that war veterans' allowance rates be increased to \$50 a month for a single recipient and \$85 per month for a married recipient. What is the Legion's attitude toward the total permissible income that the war veterans should be allowed to have? At the present time a married veteran and his wife can receive \$730 a year and then he is allowed in addition to that \$250 income, plus \$125 casual earnings, plus \$25 income from investment, which brings the total up to \$1,130. Now, this suggestion would raise the allowance to \$1,020. Would you suggest that the additional income should be \$110, to balance it up to \$1,130? Are you suggesting that the additional income that the veteran may earn should be increased?

Mr. HERWIG: This recommendation, of course, has in mind the bill that is already before you. In the bill the permissible income now includes \$125 casual earnings. We would not disturb that.

Mr. QUELCH: Under the new bill the total permissible income will be \$1,130. You are suggesting that the amount of the allowance should be increased to \$1,020. Would you suggest that the gross income should remain at \$1,130?

Mr. HERWIG: Yes, quite.

Mr. WOODS: I think, Mr. Chairman—and this is not being said in opposition to any recommendation as to further increase in war veterans' allowance that is contemplated in the bill—but it is my responsibility, I think, as a public servant, to remind the committee that when the war veterans' allowance was instituted it was an extension of the Old Age Pension Act. I think some of the gentlemen present here were members of that committee in 1930, when the War Veterans' Allowance Act was introduced. It was designed to bring the provisions of the Old Age Pension Act to a veteran ten years earlier because of the strain of trench warfare and so forth. It was not based on the cost of living; it was not regarded as a pension as a matter of right. It was like an old age pension grant in aid, if you like. It was never based on the cost of living. The proposal now of the government to increase the allowance to \$40 a month, to elevate the ceiling, to consolidate the casual earnings in the present permissive income is designed to bring it in conformity with the Old Age Pension Act. The Old Age Pension Act permits to two pensioners who are seventy years of age a total income of \$1,080 a year; it permits in the case of a single person a total income of \$600 a year or \$50 a month. The payment by the state in the case of British Columbia is \$30 a month plus \$10 subject to their having resided in that province for, I think it is a year, or something like that. But the present proposal in the bill which is now before the committee is to bring it into line—to see there

is no discrimination against the veteran, despite the fact that he does get the old age pension ten years earlier than do civilians. It is to bring it into line with the Old Age Pension Act and the various supplementary grants that are paid by the provinces to the majority—

Mr. QUELCH: Does it do that?

Mr. WOODS: Yes.

Mr. QUELCH: Does it not provide \$70 for a married couple?

Mr. WOODS: No, the total income is \$90 for a married couple, of which it is proposed to pay \$70 a month toward the War Veterans' Allowance Act. It provides a permissive income of \$1,080, or \$90 a month, plus \$25 a year from unearned income—that is to say, investment in bonds and such.

Mr. QUELCH: The allowance is \$70 for married couples?

Mr. WOODS: That is right. Now, the proposal in the bill will place the veteran on a better status than any province in the dominion that pays a supplementary amount.

Mr. QUELCH: In British Columbia is it not \$40 per month for the husband and \$40 a month for the wife, and under the new bill would it not be \$40 for the husband and \$30 for the wife or \$70 for both, which is \$10 less?

Mr. WOODS: That is perfectly correct, except that in the administration of the Old Age Pension Act that is permissive—it is discretionary with the provinces, whether they pay the husband or wife the \$40.

Mr. CRUICKSHANK: Does a person have to be destitute to come under the War Veterans' Allowance Act?

Mr. WOODS: They have to be in necessity; that was the preamble of the Act. Do you remember when it was introduced; there had to be a necessity.

Mr. CRUICKSHANK: I think the two parties are in a different category. We are not paying as much as they do in the province of British Columbia for old age pension for a man and wife. We are paying \$80 now in British Columbia, if I am correct in my figures; and my experience has been that a veteran has to be burned out through his military service. This casual earnings stuff is a bunch of bunk. In 90 per cent of the cases he does not get the allowance unless he is a burnt-out veteran. By right he gets the old age pension when he reaches a certain age and does not have an income beyond a certain amount—does not have capital beyond a certain amount. *I cannot see the comparison at all.

Mr. WOODS: It must be realized that there is no physical requirement as to the wife of a war veterans' allowance recipient. She may be thirty or forty or fifty years of age, there is no age requirement and no physical requirement as far as she is concerned.

Mr. CRUICKSHANK: Some of these veterans are burnt out at thirty years of age.

Mr. HERRIDGE: Following up the question asked by Mr. Quelch as to whether the Legion were supporting the same total income of \$1,130, I think the answer was yes.

Mr. QUELCH: Yes, \$1,130.

Mr. HERRIDGE: There is this aspect of the question. There are many of these men who are rather on in years but they pick up some small jobs around some small towns, and if that is provided for it means that quite a number of these men who will not be benefited by the increase in the war veterans' allowance. It means they will be losing some of their earning capacity.

The CHAIRMAN: On the contrary the proposed bill increases their possibilities of increased earnings.

While I am on that, may I say that Mr. Cruickshank said a moment ago that he thought 90 per cent of the recipients of war veterans' allowance had no other income. I am informed that the number is slightly less than 40 per cent.

MR. CRUICKSHANK: Maybe I was wrong in my mathematics, but I still disagree with this. The average veteran who can get the burnt-out allowance can make mighty little money, particularly in the province from which I come with a highly competitive and a highly paid wage rate.

MR. WOODS: It must be remembered, Mr. Chairman, that half the recipients of the war veterans' allowance draw it because they have reached their sixtieth birthday and they do not of necessity have to show any disability; all that is necessary is a birth certificate and a discharge certificate showing that they have served in a theatre of war, are sixty years of age, and have not any other income. Then, automatically, it is paid to them. And as one who has passed sixty years of age I want to say that many of them are quite capable of augmenting their income.

THE WITNESS: In reply to Mr. Herridge's question, may I say that there must have been some misunderstanding. The Legion feels that the total permissive income should be increased by the amount of our submission with regard to the actual allowance itself.

MR. HERRIDGE: Thank you very much. That is what I wanted to have cleared up. I did not get that.

MR. QUELCH: No; I thought it remained at \$1,130.

THE CHAIRMAN: Are there any further questions to be asked of General Price with respect to this matter? Apparently, General Price, that concludes the desire of the committee to question you on the brief. The committee have tabled the residue of the brief and it will be considered in our deliberations of the various matters that are raised.

On behalf of the committee I should like to thank you for coming here this morning and to thank you at the same time for the constant attendance of your secretary, whom we have not called as a witness every day, but have consulted very often.

THE WITNESS: Thank you, Mr. Chairman, very much, and may I express the hope that parliament will give serious consideration to your recommendations.

THE CHAIRMAN: I can promise serious consideration; I hope they will agree.

THE WITNESS: Thank you very much.

THE CHAIRMAN: I question, gentlemen, whether we will accomplish a great deal in the way of general deliberation on this question until we have heard the representations from the other two bodies who desire to come before us. The clerk tells me that the National Council and the Imperial Veterans' organization will be here on Tuesday. If it is the will of the committee I shall entertain a motion to adjourn until Tuesday.

MR. BROOKS: Would Colonel Garneau give us some statistics as to the number of men that this might affect, and that is taking in England as a theatre of war, and the Imperials and so on. I do not want the information now, but after we have heard the representations I would like to have that information.

THE CHAIRMAN: I shall ask Colonel Garneau to compile these statistics which will be required to answer the question. I think we should wait until we get the other two briefs.

MR. BROOKS: Yes, I think that is a good idea.

THE CHAIRMAN: Colonel Garneau is taking note of the points raised this morning and I am sure he will take account of other questions. When we have heard the representations of the other organizations who are to come, it is the proposal of the chair that we should then begin a clause by clause con-

sideration of the bill before us, relating to our consideration such recommendations as may be before us, and such recommendations as do not touch on the bill will be resolved by resolution at the conclusion of the examination of the bill. If you concur in that suggestion that will be the procedure.

Mr. HERRIDGE: Before we adjourn may I say I think it would be a good idea if, before we actually commence a discussion of the bill after hearing the representations of both veterans bodies, we could have an outline of the administration of the Act from Colonel Garneau.

The CHAIRMAN: That is always possible; he is at the service of the committee. Will someone move we adjourn.

An Hon. MEMBER: I move we adjourn.

The CHAIRMAN: The committee is adjourned. Remember, there will be two sessions on Tuesday.

The committee adjourned to meet again on Tuesday, May 10, 1948, at 11.00 a.m.

APPENDIX "A"

TREATMENT

1. *Removal of \$15 Deduction From Treatment Allowances*

Recommendation.—That action be taken to increase the general scale of treatment allowances or to eliminate the deduction of \$15.00 per month in respect to total disability pensioners receiving Class I treatment.

Comments.—This deduction has never been clearly explained. The general assumption among veterans has been that it was for maintenance, but no official explanation has ever been given. The high cost of living has focused attention upon this deduction. If it is to remain, then an increase in the treatment allowances should be made to compensate for this deduction.

2. *Extension of Class 3 Treatment*

Recommendation.—That Class 3 Treatment be made available within five years after discharge until a maximum of 365 days treatment has been given.

Comments.—The majority of personnel discharged from the Armed Services have not needed the treatment provided within the period of twelve months following discharge. In order that this benefit might become more evenly distributed it is proposed that conditions developing within five years and needing treatment might well be included. This proposal undoubtedly arises out of a number of cases where treatment needed beyond the time limit could not be obtained because of the slender resources of the veteran. This request is made as a rehabilitation measure where sickness requires lengthy treatment.

3. *Class 5—Means Test*

Recommendation.—That the Means Test applied to Class 5 Treatment cases should either be eliminated or the permissible income revised upwards to offset the rising cost of living.

Comments.—The Means Test limit—the equivalent of 100% pension is too restrictive under present day conditions. The cost of treatment has become prohibitive to an increasing number of veterans because of the rising cost of living.

4. *Extension of Class 5 Treatment*

Recommendation.—That Class 5 Treatment be supplied to—

- (a) All disability pensioners, including those whose disability is less than 5%;
- (b) Pensioned Widows and children;
- (c) Widows in receipt of Widow's Allowance and their children;
- (d) Orphan Children in receipt of pension;
- (e) Pensioner's dependents.

Comments.—The Legion believes that the country should now assume responsibility for treatment of these Classes, and requests a more generous application of Class 5 Treatment. The pension and/or allowances available are insufficient to provide both maintenance and medical attention.

5. *Treatment on Repayment Basis*

Recommendation.—That provision be made for treatment of veterans on a repayment basis whenever Departmental hospital accommodation permits, at a reasonable per diem rate.

Comments.—Some provision has already been made on a repayment basis to deal with certain types of veteran cases, particularly where treatment cannot be secured from any other source. We feel, however, that some extension of the present policy might be made to include the veteran whose income is in excess of the limit, thus making him ineligible for Class 5, but who could pay for hospitalization provided the rates set were not prohibitive. There are veterans who would prefer to be treated in a veterans' hospital rather than any other. If this was permitted over-crowded civilian hospitals would be relieved, thus benefitting both the veteran and the community. The number of cases that would require such treatment would be comparatively small.

REHABILITATION

1. *Welfare of Children and Orphans*

Recommendation.—That the Government accept greater responsibility for the welfare and education of the children of men who lost their lives in the service, by extending benefits equivalent to the rehabilitation benefits their father would have received had he returned. An alternative proposal is to extend orphan rates to the children of pensioned widows.

Comments.—Veterans feel that this is an important omission in Canada's rehabilitation program as it affects the children of those who lost their lives in the service. Subsistence maintenance until the age of 16, 17 or 21, as the case may be, is not enough. The responsibility for educational or training benefits or assistance to enter a trade or calling must rest with the Government.

2. *Veterans' Land Act*

(a) Discretion in Allocation of Funds:

Recommendation.—That the terms of the Act be broadened to provide a more flexible allocation of funds as between the purchase of equipment and property.

Comments.—Many veterans becoming established in commercial fishing projects have found that they require more money for the purchase of equipment and perhaps less for the purchase of land and buildings. The same applies, although less generally, to some full-time farmers who could benefit by a less rigid statutory allocation of funds.

(b) Irrigated Lands:

Recommendation.—That irrigated lands be purchased by V.L.A. for sale to veterans where water rates are established and reasonable, and where land prices are within reach.

Comments.—Many veterans have farmed irrigated lands and would like to settle in areas which require irrigation. Some of the most productive land in Canada is either now under irrigation or will be brought under it within the next eight or ten years. Veterans desiring to avail themselves of the V.L.A. assistance should be given equal opportunity with others in the purchase of such lands.

(c) Increased Loans to Meet Rising Costs:

Recommendation.—That an all-over increase in loans available under the Act be effected.

Comments.—Already veterans find it difficult in some cases to purchase first class farm lands with V.L.A. loans at present available. Veterans seeking settlement under the Act should not be put in the position of having to purchase second rate farm lands. The Legion submits that such settlement is not a good investment for either veterans or the Government. Experience has proven that profitable yields from good land will pay off a large mortgage, while less pro-

ductive land may never repay a small one. There has been no increase in V.L.A. loans even though the price of good land has, in many cases, doubled.

(d) Repayment of Grants to Qualify under V.L.A.:

Recommendation—That veterans who have taken only a limited amount of university training be permitted to repay grants received in order to qualify for assistance under V.L.A.

Comments—There are cases where veterans have received only a few weeks' training benefits and as a result are disqualified from receiving assistance under V.L.A.

(e) Re-establishment Credit Deducted From Loan:

Recommendation—That Section 10 of the War Service Grants Act be amended to provide that a veteran having used a part or all of his Re-establishment Credit may be permitted to avail himself of a loan through the Veterans' Land Act, the amount of Re-establishment Credit used to be deducted from the loan granted.

Comments—In many cases veterans became established on farms at a time when for one reason or another loans through the Veterans' Land Act were not available to them. For example, in some provinces ex-servicemen became established on provincial crown lands before V.L.A. was able to finalize agreements regarding such settlement with the provinces concerned. These men found it necessary to make use of their Re-establishment Credit and now find it difficult, if not impossible, to repay the full amount of the credit used in order to qualify for a loan through V.L.A.

3. Veterans' Business and Professional Loans

(a) Provision for Business Expansion:

Recommendation—That any monies expended by a veteran of World War II in establishing himself in business following discharge be applied as his equity in obtaining a loan under the Veterans' Business and Professional Loans Act.

Comments—Many veterans who commenced operating a business prior to January 1, 1946, found it necessary to invest all available capital in inventory and essential equipment. If in such cases the business is sound there is no good reason why they should not be given the same consideration when seeking to expand their business as is given those who started operating after January 1, 1946.

(b) Provision for Liquidating Existing Indebtedness:

Recommendation—That the Act be amended so as to provide guaranteed loans for the purpose of converting existing loans.

Comments—Many veterans obtained short term loans at high rates of interest before this Act was passed. If the business is sound, the conversion to guaranteed loans under the Act would be of marked assistance to these men.

(c) Loans as Working Capital:

Recommendation—That guaranteed loans be made available for use as working capital.

Comments—Many veteran students now taking professional courses will upon completion thereof find themselves without funds of any kind. While it is likely that many loans of this type will be short term loans a number of students will undoubtedly require the longer term of ten years in which to make repayment and Government guaranteed loans would be of material assistance in such cases.

Graduate lawyers and journalists, for example, while they may not require a great deal of expensive equipment, may still require such loans for other equally essential expenses to set themselves up in their professions.

4. *Training*

(a) *Training for War Disabled*

Recommendation—That training with benefits be available to pensioners at any time regardless of whether or not they have used Re-establishment Credits.

Comments—Provision is now made for further training where pensionable disabilities progress but other pensioners may find in time that they are unable to do the work for which they were originally trained or which they became re-established in, or their jobs may fold up through no fault of their own. Retraining in such cases would still be an essential to re-establishment.

(b) *Extension of Training Benefits*

Recommendation—That the period during which vocational training under D.V.A. Benefits is available to veterans be extended.

Comments—Many veterans who obtained temporary employment at discharge now find that such employment is coming to an end. Many such veterans undertook essential work in the Department of Veterans' Affairs and other government departments. They have lost their opportunity to obtain training which may now be essential to their permanent rehabilitation. The Minister has discretion to grant university training to late applicants but not to those seeking vocational training. There are also a number of veterans in Class 5 Treatment whose disabilities are not pensionable, but who when discharged from hospital cannot return to previous occupations. Many such veterans if trained could become self-supporting and the cost of maintenance on war veterans' allowance would be saved.

(c) *Continuation of Training*

Recommendation—That the veterans vocational training plan be extended or some equally effective alternative be set up so that unemployed veterans may be given training where it is necessary.

Comments—Canadian Vocational Training, while assisting in the rehabilitation of veterans, has also been of invaluable service to industry in providing skilled tradesmen. If a serious business recession should occur in the future, both Canada and her unemployed would stand to gain if plans for the training of unemployed were already in existence. Such a plan would be a much better investment than a return to the relief system of the 30's.

5. *Reinstatement in Civil Employment Act*

Recommendation—That the Department of Labour survey post-discharge reinstatements in industries where collective management agreements exist and take the necessary action to enforce the law. If the law is not enforceable in its present form we urge that it be amended so that the purpose and intent shall be carried out.

Comments—In general the reinstatement legislation has been of great assistance to the reassimilation of thousands of veterans into civilian employment. There are, however, a number of instances, particularly in industries where Labour-Management Agreements were entered into while the veterans were in uniform, where the veteran has not been satisfactorily reinstated. In many cases these agreements have been made without reference to the terms of the legislation, particularly those dealing with promotion. With regard to such promotions, it has often occurred that the Canadian Grievance Committees of the Unions have decided in favour of the veteran only to have their decision over-ruled by an International President operating in the United States (see appended case).

Without in any way being anti-union in its sympathies, the Legion nevertheless believes that the law of Canada, particularly when supported by a majority of the Canadian Union men concerned should govern, rather than the over-riding decision of a Union Official resident in a country where the terms

of military service are not on the same basis as in Canada. A sizable group of veterans employed with Canadian Railways in particular is involved and we believe that the Reinstatement in Civil Employment Act should be so amended as to enable Canadian Unions to work out those problems involving Canadian veterans without interference by foreign Union officials.

6. *Dishonourable Discharges*

Recommendation—That all dishonourable discharges be reviewed by an independent board similar to the Board of Review for Gratuities and having as its members men representing the three Services and the organized veterans.

Comments—Where veterans have been awarded dishonourable discharges as a result of strictly service offences, they should not be required to carry such discharges indefinitely. Already many veterans are finding that such a discharge bars them from employment.

7. *Gratuities*

Recommendation—That gratuities, the payment of which have been recommended by the Board of Review, be paid to wives whose husbands have deserted them and cannot be located.

Comments—Many cases have come to our attention where the veteran, convinced that he would never receive his gratuities, has left for parts unknown. Frequently he has left a wife and children who are in dire need. If the veteran is not located it is our understanding that the money is at present paid over to consolidated funds.

8. *Benefits to Personnel*

Engaged in Pursuits

Closely Related to War

Recommendation—That ex-members of the Royal Air Force Transport Command, the Merchant Navy, the Corps of Canadian Fire Fighters for service in the United Kingdom and the Red Cross, who served in a theatre of war, although without military status, be granted the same benefits as are presently available to Auxiliary Service Supervisors.

Comments—The above-mentioned groups received rehabilitation benefits in varying degrees but far below those granted Auxiliary Services Supervisors. The majority of the personnel of these Organizations actually served in a theatre of war under conditions similar to those of Auxiliary Services Supervisors, and it is felt that there should be no discrimination among them.

The case for the Royal Air Force Transport Command was fully set out before the Parliamentary Committee on Veterans' Affairs in 1945-46. Very little can be added in their behalf except to say that the merits of the case deserve favourable consideration.

With regard to the Merchant Navy, our concern is mainly with those who, coming from other occupations or upon leaving school, signed up for a period in the Merchant Seamen's Pool and served satisfactorily in vessels plying hazardous waters, and who returned to their former occupations or entered them after the close of the war. These men entered the Merchant Navy in the same spirit as other men enlisted in the Armed Forces. It is realized that the terms of service were not the same, but the Nation can afford to be generous to men of this type.

The case for the Fire Fighters was also fully set out before the 1946 Parliamentary Committee and very little can be added except to say that all these men believe and affirm that before they went overseas they were promised by the Minister of National War Services the rehabilitation benefits that would accrue to Members of the Armed Forces.

A presentation was also made to the Parliamentary Committee in 1946 in behalf of Red Cross workers overseas. The women involved feel that their case did not receive the consideration it deserved and desire to present a brief to the Parliamentary Committee now sitting. The Canadian Legion wishes to endorse this Brief and to urge that the Red Cross women who served overseas be given the same benefits as Auxiliary Services Supervisors.

CIVIL SERVICE

1. *Superannuation*

(a) *Excessive Contributions by Veterans*

Recommendation—That the Civil Service Superannuation Act be amended to permit veterans who were not contributors prior to enlistment to take advantage of the provision to count their war service on payment of the normal contribution.

Comments—Concessions have been sought for the past twenty years by these veterans in the Civil Service to count their war service towards superannuation. In 1939 a Special Parliamentary Committee on the Superannuation Act recommended that war service be permitted to count towards superannuation, and no distinction was made between those who were civil servants prior to enlistment and those who were not. The recommendation, however, was not implemented, presumably because the outbreak of World War II intervened. The long delay and the terms of the new legislation makes the provision of little or no value to a large number of veterans of World War I who are required to pay twice the normal contribution, or in other words, the Government's share as well as their own. They must pay 10, 11 or 12 per cent of the starting salary, plus interest, which in many cases covers a period of thirty years or more. It is considered unjust that the men who have so persistently pressed for this legislation should find that so many are unable to participate.

The Legion maintains that Active Service in the Armed Forces is Government service of the highest type and that there should be no distinction made between those who were employed in the Civil Service prior to enlistment and those who were not, and that the contribution from the latter veteran should be the same as for any other employee in the Government Service.

(b) *Remove Discriminatory Limitation on War Service to be Counted*

Recommendation—That the Civil Service Superannuation Act be amended so as to provide that World War I shall be deemed to have terminated eighteen months after November 11, 1918.

Comments—The present definition of World War I in this Act established November 11, 1918, as termination date for counting war service. It is obvious that most veterans were discharged subsequent to the cessation of hostilities and therefore only a portion of their service can be counted.

The principle of counting full service has been recognized in connection with veterans of World War II. As the Act now stands, it discriminates against World War I veterans, many of whom are approaching retirement.

(c) *Superannuation Based on Average Salary for Last Five Years*

Recommendation—That the Civil Service Superannuation Act be amended so as to provide that the average salary for the last five years' service be the basis of superannuation for veterans on their retirement under the Civil Service Superannuation Act.

Comments—A civil servant's average salary for the last five years' service forms the basis of calculation of superannuation for only those civil servants who were in permanent positions in 1924 when the Act was passed.

More than 5,000 veterans of World War I who had not been rehabilitated in 1924 have been appointed since that date to permanent positions in the Civil Service of Canada, and the basis of calculation for these appointees is the average salary for the last ten years.

Many of these veterans will be superannuated before earning the maximum service and on account of their receiving salary increases late in life will be forced by economic circumstances to remain in the Service until the age limit authorized by the Civil Service Superannuation Act.

Many of these veterans would retire at age 60 if the basis of calculation was for five years instead of ten, thus creating more opportunities for appointment of World War II veterans.

(d) Extension of Time to Elect to Count War Service

Recommendation—That the time for veterans to elect to count their war service for superannuation be extended by one year.

Comment—There has been much complaint that the plan is not understood and that insufficient explanation of the terms, or notification that the benefit is available, has been issued from any official source that enables the veteran to make a decision.

2. Extension of Preference to Widows

Recommendation—That widows of ex-servicemen be accorded the same statutory preference in employment in the Civil Service regardless of age limit which their husbands would have enjoyed had they returned.

Comments—The particular factor with which we are concerned in mentioning war widows' preference in the Civil Service is age. The hardship that this factor caused among war widows was particularly evident last year when Government departments were reducing their temporary war-time staff. Many war widows who had worked faithfully in the Government Service throughout the war were released and forced to compete for positions in the industrial and business world. Many of these women had spent seven years in the Government Service and were still in the position of having to earn a living in the face of rising prices.

Ottawa, Ontario,

May 7, 1948.

Reinstatement with C.P.R. of a typical case

1. December /41 entered C.P.R. as Shop Labourer.
2. September /42 qualified for promotion to Fireman.
3. October 12/42 joined Canadian Army.
4. April 7/44 discharged from Canadian Army.
5. April 5/44 applied to C.P.R. for reinstatement in position as Locomotive Fireman. Not granted.
6. April 17/44 returned to work with C.P.R. as Shop Labourer.
7. September 5/44 became Fireman. Seniority from first paid trip as No. 285.

8. . . . brought up matter of seniority before meeting of Lodge 747. Matter was referred to Grievance Committee for interpretation of agreement between Brotherhood of Locomotive Firemen and Enginemen and C.P.R., dated May 16/40.

9. February 6/45 J. S. Lowden, Chairman of Grievance Committee interpreted Agreement as meaning that "J" should be placed on Fireman's Seniority List immediately ahead of the fireman who was hired subsequent to "J's" enlistment.

10. Lodge No. 747 turned down "J's" request, notwithstanding Mr. Lowden's Interpretation.

11. "J" appealed to Grievance Committee.

12. 27th March/45 Grievance Committee sustained "J's" appeal.

13. C.P.R. was then requested to adjust "J's" seniority and he was given Seniority No. 193½.

14. Lodge 747 appealed decision of Grievance Committee to Executive Committee (Canadian) of General Grievance Committee.

15. August 23/45 Executive Committee upheld decision of Grievance Committee.

16. A group of members of Lodge 747 filed appeal with International President, Brotherhood of Locomotive Firemen and Enginemen, B.L.F.E., Cleveland, Ohio.

17. December 18/45, representative of Grand Lodge held investigation in Montreal.

18. February 9/46 International President reversed decision of Canadian Committee and of Grievance Committee, causing "J" to be placed at his former Seniority standing.

19. "J" submitted his case to Department of Personnel, C.P.R.

20. April 9, 1946, H. D. Brydone-Jack, Director of Personnel replied that C.P.R. must abide by decision of International President, B.L.F.E.

21. May 9/46. Case submitted to Regional Legal Officer of Department of Labour, Montreal, by Leblanc and Filion, Solicitors for "J".

22. November 27, 1946, matter referred to Mr. Brydone-Jack by Legal Adviser, U.I.C., and Department of Labour.

23. 4th December /46 Mr. Brydone-Jack again stated that C.P.R. must abide by decision of B.L.F.E.

24. 17th December /46. Regional Legal Officer, Montreal, instructed to advise attorneys that the view of C.P.R. is upheld by this department.

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Canada Veterans Affairs
Committee on 10/47/48

SESSION 1947-1948

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 17

TUESDAY, MAY 11, 1948

WITNESSES:

Mr. W. S. Woods, Deputy Minister, and Mr. K. C. Rappell, Departmental Solicitor, Department of Veterans Affairs;

Colonel E. A. Baker, Chairman, National Council of Veteran Associations in Canada;

Major Edwin Meredith, Canadian Corps Association;

Mr. Stephen G. Jones, Federation of British Canadian Veterans of Canada.

REPORT TO THE HOUSE

MONDAY, May 10, 1948.

The Special Committee on Veterans Affairs begs leave to present the following as a

FIFTH REPORT

Your committee has considered Bill 126, An Act to amend the Pension Act, and has agreed to report it without amendment.

Your committee is of the opinion that the rates provided in certain clauses of the bill are inadequate and that the limitations imposed in other clauses are unduly restrictive. As any revision of these rates to meet the views of the committee would result in an increased charge upon the public, your committee feels that it has no option, under the rules of the House and the terms of its Order of Reference, but to report the clauses without amendment. The committee would, however, urge that consideration be given to the recommendations contained in its second and fourth reports, presented on March 24 and April 27, respecting rates of helplessness allowance and of war disability pensions, and would also recommend that the government consider the advisability of introducing further amendments to the said Bill 126 to provide:

1. That, in respect of World War 1 pension awards, no reduction in the assessment of disability shall be made, providing such assessment has been in effect for three years or more.

2. That section 11 (1) (c) of the Pension Act be amended by striking out all the words after the word forces in line twelve thereof and substituting therefor the words was obvious on enlistment.

3. That Schedule A to the Pension Act be amended to provide that payment of pensions be made at the nearest multiple of '5' except where the disability is less than 5 per cent, for which compensation by way of a final payment is provided.

4. That sections 32 and 32A of the Pension Act be amended by striking out the proviso respecting marriage before May 1, 1944, wherever it appears in these sections; and that section 66 be repealed.

5. That section 62 of the Pension Act be amended by deleting the words *be entitled to draw and shall* in the fifth line thereof.

All of which is respectfully submitted.

L. A. MUTCH,
Chairman.

MINUTES OF PROCEEDINGS

TUESDAY, May 11, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Cruickshank, Dickey, Dion, Emmerson, Gauthier (*Portneuf*), Gregg, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, McKay, Marshall, Moore, Mutch, Quelch, Ross (*Souris*), Viau, White (*Hastings-Peterborough*), Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister, and Mr. K. C. Rappel, Departmental Solicitor, Department of Veterans Affairs; Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board; Colonel E. A. Baker, Chairman, National Council of Veteran Associations in Canada; Mr. W. C. Dies, President, Sir Arthur Pearson Association of War Blinded in Canada; Major Edwin Meredith, Canadian Corps Association; Messrs. R. M. Turner and Rudy Lacasse, The War Amputations of Canada; Mr. John G. Counsell, President, Canadian Paraplegic Association; Mr. J. P. Nevins, Vice-President, Army, Navy and Air Force Veterans in Canada; Mr. Stephen G. Jones and Col. George MacKay, Federation of British-Canadian Veterans of Canada.

Mr. Rappel was called and presented a statement on domicile.

Colonel Baker was recalled, and questioned.

Major Meredith was called and presented a brief respecting war veterans allowance on behalf of the National Council of Veteran Associations in Canada.

Mr. Jones was called, presented a brief on behalf of the Federation of British Canadian Veterans of Canada, and was questioned thereon.

The witnesses retired.

On motion of Mr. Lennard, the committee adjourned until Thursday, May 13, at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 11, 1948.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Order, gentlemen, please.

As you know, the purpose of our meeting this morning, primarily, is to hear delegations from the National Council of Veterans' Associations in Canada, and from the Federation of British-Canadian Veterans in Canada, which is better known to you, perhaps, as the Imperial veterans, with respect to the veterans allowance.

There are two things I would like to say to you. The first one is this. It has come to our attention that some gentlemen in another place are likely to be leaving us shortly, and the minister arranged that the Pension Bill which was reported to the House on Monday, will come up for consideration in the House this afternoon. The members of this committee being very interested, more so than anybody else, the meeting which we had scheduled for this afternoon will be jeopardized by that. Should we not complete the hearings of the representations of these two groups this morning, we shall, with your permission, cancel the afternoon meeting and in place thereof meet tonight at nine, to conclude then, rather than to hold our visitors over for extra time. However, I am informed that Colonel Baker's brief and Mr. Jones' brief are not long.

In our discussion the other day, I think it was Mr. Pearkes who asked for a definition of domicile, so that we might have it clearly in our minds. The deputy minister now says that he has about a two-minute statement which, if placed upon the record, perhaps would furnish the necessary background for our discussion. I call upon Mr. Woods.

Mr. WOODS: I would just ask Mr. Rappell from the Legal Division of our department, to read a statement into the record at this time. Mr. Gunn, our solicitor, is at the present time in the hospital.

The CHAIRMAN: The deputy minister has just said that, in the absence of Mr. Gunn, counsel for the department. Mr. Rappell of the legal department of the Department of Veterans Affairs, will now read a statement.

I call upon Mr. Rappell.

Mr. RAPPELL: This is a statement setting forth the legal interpretation by the department of the word "domicile" as that word is used in the Act.

In Halsbury's Laws of England, second edition, volume 6, "domicile" is defined, as follows:—

"A person's domicile is that country in which he either has or is deemed by law to have his permanent home."

There are two kinds of domicile:—

1. Domicile of origin.
2. Domicile of choice.

The domicile of origin is received by operation of law at birth, the domicile of an infant being that of a person on whom the infant is dependent—normally the father. The domicile of origin is retained

until the acquisition of a domicile of choice. Generally speaking, a person may change his existing domicile and acquire for himself a domicile of his choice by the fact of residing in a new country, with the intention of continuing to reside there indefinitely.

Every person has a domicile at every period of his life and no person has more than one domicile at any one time. To change a domicile there must be a state of kind to that end, a definite intention so to do.

Domicile must be distinguished from residence. A person may have several residences at any one time but he cannot have more than one domicile. Residence is a mere physical fact. If this physical fact is accompanied by the required state of mind neither its character nor its duration is in any way material.

The presumption of law is always against a change of domicile which must in every case be proved with perfect clearness by the person alleging it. The length of time spent in a country other than that of one's domicile has no bearing on the determination of domicile where there is no evidence of intention to make a permanent home in that other country.

In the absence of evidence of making a permanent home in a new country, a person of Canadian domicile may serve in any Imperial or foreign military, naval or air force, without loss of Canadian domicile.

Therefore, it is evident that a person with Canadian domicile may go to any other country as a business representative or take any course of training in any other country or reside outside of Canada for years without losing his Canadian domicile. To change his Canadian domicile he must have the intention of abandoning such Canadian domicile and must have the state of mind to set up a permanent home in such other country.

The CHAIRMAN: I asked that we might have this statement on the record to facilitate our discussion. I shall defer further discussion at this time, and I wonder if Colonel Eddy Baker would come forward and present the brief for the National Council of Veteran Associations in Canada.

Colonel E. A. Baker, Chairman of the National Council of Veteran Associations in Canada, called.

The CHAIRMAN: Gentlemen, very few veterans, anywhere—and certainly no veteran of this committee—need any introduction to Colonel Baker, who is about to give evidence to you.

Colonel Baker, the committee is very happy to see you restored to health again and back in your—shall I say accustomed place; and we welcome you here again, Colonel Baker.

(Applause)

The WITNESS: Mr. Chairman, and gentlemen, thank you very much, for your many kindnesses.

This morning we have a rather small deputation from the National Council of Veteran Associations in Canada, and I would just like to make the members of the deputation known to you before we present our submission.

May I ask Mr. W. C. Dies, President of the Sir Arthur Pearson Association of War Blinded in Canada, to stand up and be recognized?

(Applause)

Next, may I ask R. M. Turner and Mr. Rudy Lacasse, representing the War Amputations of Canada, to stand up and be recognized?

(Applause)

Next, may I ask Major Edwin Meredith of the Canadian Corps Association to stand up and be recognized.

(Applause)

Now may I say that Captain John G. Counsel, of the Canadian Paraplegics Association expects to be with us a little later in the morning. That, gentlemen, constitutes our delegation.

Now, with your permission, gentlemen, I would like to ask Major Edwin Meredith to present our submission at this time on the War Veterans Allowance Act. There are copies for each member of the committee, but they have not yet been passed around.

The CHAIRMAN: They are just being passed now, sir.

Mr. MEREDITH: The National Council of Veteran Associations in Canada, submission to the special parliamentary committee on veterans affairs appointed by the House of Commons for the session of 1948, May 11, 1948.

Mr. Chairman and gentlemen: We represent the National Council of Veteran Associations in Canada comprising six member organizations as follows:

- Army, navy and air force veterans in Canada;
- Canadian Corps Association;
- Canadian Paraplegic Association;
- Canadian Pensioners' Association of the Great Wars;
- Sir Arthur Pearson Association of War Blinded;
- The War Amputations of Canada.

With the kind permission of the chairman and members of this committee we are pleased to present our recommendations and comments in respect to adjustments in the War Veterans Allowance Act to alleviate certain inadequacies and anomalies. Some of our members were present in the House of Commons during the session of 1930 when this Act was introduced and adopted. We appreciated the intent and the potential benefits of its provisions but many of us were concerned over the problems of effective administration, while avoiding any possibility of its becoming a mere service pension. At this point we must compliment especially the first chairman of the War Veterans Allowance Board, Mr. Walter S. Woods, and his colleagues who were able to establish a fair and just spirit of administration which appears to have been followed throughout. We are strongly averse to any action which would tend to alter either the basic intent or the spirit of this Act. We included in our brief of March 15 last recommendations numbers, 11, 12, and 13. Since this is the appropriate time and place to draw these special recommendations to your attention we will reiterate in order to facilitate consideration.

1. *Recommendation (11)* (From March 15, 1948 brief). That the war veterans allowance rate to eligible ex-service married or single men or women should be increased to \$50 per month.

Comment: (From March 15, 1948 brief). We have made this recommendation with a view to relieving hardship in cases of both single and married men. We believe the amount we have recommended is definitely warranted under present conditions.

Further Comment: For those who have supplementary income through earnings, limited superannuation or war disability compensation up to the permissible limits, the situation is not quite so difficult. For those who have little or no supplementary income and are wholly unemployable, very definite hardship is involved. Under the circum-

stances we cannot envisage any man being able to decently exist on \$30 or even \$40 per month short of leading a hermit's existence, with little or no shelter charge involved or being partially dependent on relatives or friends or even strangers. Since entitlement to this allowance is based on meritorious service and the effects of such, our recommendation is designed to affect the single or married ex-serviceman and not dependents. The allowance to the wife of the war veterans allowance recipient has been \$30.83 per month. This for some years has been \$5.83 per month more than the allowance to the wife of the 100 per cent pensioner and is still 83 cents per month more than the improved allowance to the wife of the pensioner as proffered within recent weeks. We cannot see the equity of this differential.

2. *Recommendation (12)* (From March 15, 1948 brief). That the income provision under war veterans allowance be amended to completely exempt war disability compensation and to eliminate specific restrictions in respect to the amount of income from any other source within the permissible income limits of the Act.

Comment: (From March 15, 1948 brief). Ex-servicemen in low war disability categories with limited compensation and with very limited casual earning capacity have been eligible for war veterans allowance subject to a compensation exemption of \$125 per annum for the single man and \$250 per annum for the married man. We have viewed with misgiving the plight of the war disability who, having been substantially disabled in the service of the country, has at some time since return to civil life become for all practical purposes, unemployable. Such a man has on the average suffered physical impairment similar to that experienced by the average non-pensioned war veterans allowance recipient, and in addition must carry his war disability of whatever degree. We feel very strongly and urge that war disability compensation should be exempted in the event of such war casualty becoming for all practical purposes, unemployable, and an applicant for war veterans allowance, provided that the sum total of all war disability compensation and war veterans allowance income shall not exceed in the case of the single man \$100 per month, and in the case of the married man \$135 per month.

Further Comment: Further study and consideration of the problems involved for partially pensioned—ex-servicemen who for all practical purposes become unemployable, has tended to emphasize their needs and deepen our conviction that our recommendation is more than justified. The single ex-serviceman who is unemployable may have war veterans allowance at \$365 per annum plus war disability compensation (pension) of \$125 making a grand total of \$490 per annum. This is little if any better than a relief subsistence rate. The married ex-serviceman who is unemployable may have war veterans allowance at \$730 per annum plus war disability compensation (pension) of \$250 making a grand total of \$980 per annum, which amount is \$640 per annum less than we have determined as essential for a reasonably normal living standard for the married 100 per cent war disabled. We do not consider that restriction of any unemployable ex-serviceman to a sub-normal living standard is a healthy condition to perpetuate in this country. We are also strongly of the opinion that no man who has served his country faithfully and well and who is unable to further help himself should be left to such a fate.

3. *Recommendation 13* (From March 15, 1948 briefly). That the rates for widows not eligible for pension in respect to the death of a husband

who was compensated at 45 per cent or less, and widows of non-pensioners, should be increased to \$50 per month.

Comment: (From March 15, 1948 brief). The same comment applies in this case as in respect to war veterans allowance (comment 11).

Further Comment: Section (17) of the War Veterans Allowance Act provides that on the death of a non-pensioned ex-serviceman who was a recipient of war veterans allowance, the widow may receive for one year the full rate of the allowance enjoyed by the couple before her husband's death. We are aware of certain anomalies which exist under present regulations affecting partial pensioners. To illustrate, a disabled ex-serviceman on 40 per cent pension and married may be wholly unemployable and hence may have an income of \$40 per month for himself and his wife from pension, plus \$500 (which is \$41.50 per month) from war veterans allowance. For the year succeeding his death, his widow may have only \$500 and not \$730. Similarly where a non-pensioner is on low superannuation from some source and dies, his widow would only be entitled to war veterans allowance for the year succeeding his death at the reduced rate. It does not seem equitable that these differentials should apply under such circumstances.

We sincerely trust that the recommendations we have made may be given favourable consideration in order that the War Veterans Allowance Act may be more effectively complementary to the Canadian Pension Act and meet the problems of ex-servicemen with meritorious service who have reached the point where they are no longer able to substantially help themselves.

Respectfully submitted,

E. A. BAKER,
Chairman.

J. P. NEVINS,
Secretary.

I thank you.

The CHAIRMAN: Thank you, Major Meredith.

Now, before I ask any questions, do you wish to say a word with respect to the brief, yourself, Colonel Baker.

Colonel BAKER: No, I do not think that is necessary at the moment. We do not want, unnecessarily, to protract the presentation. We have already imposed on the time and good nature of this committee substantially.

The CHAIRMAN: We are sometimes short of time, Colonel Baker, but my experience is that this committee is long on good nature.

Is there anyone in the committee who desires to question Major Meredith or Colonel Baker with respect to the subject matter of the brief?

This brief, will, of course, appear in the report of today's meeting and you will have it before you when we begin consideration of the bill, clause by clause, which I hope, will be at an early date.

By Mr. Brooks:

Q. Your brief is substantially the same as that of the Legion, I take it?—
A. Mr. Chairman, I have not had an opportunity, personally, to examine the Legion's presentation; but I believe there were some differentials.

By Hon. Mr. Gregg:

Q. At the bottom of page 1, and at the top of page 2:

We are strongly averse to any action which would tend to alter either the basic intent or the spirit of this Act.

Might I ask you, Colonel Baker, if that infers or includes references to the item "theatre of war" and eligibility in theatre of war, as it stands now, for the Old World, European continent? You wish it to remain there, is that right—A. In all discussions of the National Council to date, we have adhered strictly to the theatre of war regulations.

By the Chairman:

Q. As it is?—A. Yes, as it is.

By Mr. Brooks:

Q. What is your attitude then, towards dual pension, so called, where men served in both wars, but served only in Canada and England? Surely that changes the basic intent and spirit of the Act; and I think your organization was in favour of that, if I remember correctly?—A. If I gather the purport of your question, Colonel Brooks, I would say that, since, in the second great war England is in the theatre of war, the individual, irrespective of the area of war service, would be eligible.

Q. Yes; but take the case of the men who served in the First Great War in Canada, and in the second great war also in Canada without going to England; they are entitled to dual pension, are they not?

The CHAIRMAN: That arises out of the fact that Canada was specifically declared to be, at the beginning of the war, an area of active service.

By Mr. Brooks:

Q. My point is: that the basic intent and spirit of the Act, so called, has already been changed; so I am a little surprised that the National Council of Veteran Association do not approve of England as a theatre of World War I, so far as the war veterans allowance is concerned.—A. We are simply adhering to the official theatre of war, insofar as our discussions to date have dealt with it, sir.

By Mr. Woods:

Q. There is one point which I think the committee would like to have clarified a little, and that is with respect to recommendation No. 11 on page two of the brief. The rate for a married man is now \$60, and the bill which has been advanced would increase it to \$70. Is that a misprint there, is that the intent of the brief, that the rate for married veterans be set at \$50 a month?—A. We are referring—whether it is possible of misinterpretation or not—but our intent was to refer to the ex-service person in the case, whether he be single or married, and that the increase should apply to him, as differentiated from his dependent wife.

By Mr. Bentley:

Q. That her's would be as it is now?—A. Her's would remain at the present level. We are not seeking an increase there, because there has already existed for some years, a differential, as we have pointed out. She was receiving \$30.83, whereas the wife of the 100 per cent pensioner would get \$25 a month.

By Mr. Lennard:

Q. Colonel Baker, is the National Council of Veteran Associations opposed to the inclusion of any groups which are not now included under the War Veterans Allowance Act?—A. No. I think the National Council would be prepared to consider any other group whose merit could be demonstrated.

Q. But they are averse to any action which would tend to alter the basic intent or spirit of the Act?—A. In that, we feel that the Act, when originally passed, was envisaged as covering certain recognized groups at that time. Now, in line with your present question, if some other group could be demonstrated as meriting consideration, we would only be too glad to consider them and we would not want to bar anybody with equal merit.

By the Chairman:

Q. The position is this: you are not barring them; you are recommending them, but you are dealing with the situation which at present exists.—A. That is correct.

The CHAIRMAN: Are there any further questions, gentlemen?

The WITNESS: May I interrupt at this time to draw the attention of the chair and of the members present, to the entrance of Captain John Counsel, President of Canadian Paraplegics Association, and one of representatives who has been before you here on a former occasion.

(Applause).

The CHAIRMAN: We shall have Colonel Baker with us, as well as his delegation, throughout the day, I expect; and perhaps, in view of the fact that there appear to be no further questions, we might now hear the presentation of the British-Canadian Veterans Association, when we shall have an opportunity to question Colonel Jones or Mr. MacKay who is with him. Then, if there remain any further time at the morning session, a general discussion would be in order. Does that meet with your approval, gentlemen?

I now call on Colonel Jones and Mr. MacKay.

Stephen G. Jones, Past President, Federation British-Canadian Veterans in Canada, and George MacKay, President, United Council of Veterans of Hamilton and District, called.

The CHAIRMAN: The brief which you have before you was mailed to you. Are there some further copies for distribution this morning? No, I think not. They were mailed to you and they will be presented this morning by Colonel Jones, and he will be followed by Colonel MacKay. Now, Colonel Jones:

Colonel JONES: Thank you, Mr. Chairman, and gentlemen.

May I be permitted, for a few moments, to voice certain expressions of thanks and gratitude. I would like to say, on behalf of the Federation, that two years ago you gave us the privilege of appearing before you, our first appearance. We were recognized and were very well treated, both hospitably and courteously. We could not wish for anything better; and I would now, at this time, express our thanks again for your permission to hear us again on behalf of the Federation, that is, to permit us to come down here and say a few words to you.

We are not unmindful of the task you have had through the years, and I have followed, pretty closely, the various parliamentary committees for a number of years.

There are still tasks, and perhaps ours is one too, that have to be fairly, squarely and judiciously considered. We feel that way about it.

So, Mr. Chairman and gentlemen, do please accept our thanks for permitting us to come down and appear before you again.

The last time I came here I did not feel alone, although we did not have the support two years ago, that we have now. But I am now joined by Mr. George MacKay, president of the United Council of Veterans of Hamilton and District,

and we are also supported by Major Edwin Meredith of the Canadian Corps Association; and I have with me, also, down here, the president of the Ontario Veterans Association of Toronto, Mr. Jack Webster, who said he would not miss coming for worlds. It is the first time he has been down here.

Now, I believe, on Friday, May 7, you had before you the Canadian Legion, the parent body, and you also had the Ontario division before you. I am permitted to state that they are in full support of the cause, both of them.

We have striven, through the years, to unite the Imperial of the British-Canadian, as we feel we would prefer to call him; we have been striving to unite them and to find them no matter where they were, and to reduce the scattered element that existed with respect to British-Canadians through the years. I feel that we have succeeded.

I won't keep you very much longer except to say that I feel that I should tell you what the Federation is, and the units within the Federation.

We have striven, through the years, to unite the Imperial or British-Imperial Comrades Association which has been functioning for fifteen years or more. It also includes the Old Contemptibles of Hamilton, the Imperial Veterans Association of Toronto, as well as the various other units or the various other veterans, should I say, who are in a parent or a major veteran body.

There are lots of the Imperials who are British-Canadians, and who are members of the parent body of the Canadian Legion and remain so, separate and apart from the Imperial division. But we have the complete support of the units which I have mentioned, and so, gentlemen, again, if I may repeat myself, we do not feel lonely down here.

We feel we have been doing something since we were here two years ago. And may I say, Mr. Chairman and gentlemen, may I stress this factor: that, where our brief is considered, we are seeking one particular and important thing: entrance into the War Veterans Allowance Act. We are seeking entitlement to the Act. That is what we seek.

Regarding its existing condition, be it good, bad, or indifferent, we do not and shall not attack or criticize it. To do so would be unfair.

We did not participate in the War Veterans Allowance Act in any way, shape or form; and what we seek is entitlement.

Now, Mr. Chairman and gentlemen, if I may be permitted to read our brief, and if I may be permitted to comment briefly on the various clauses of the brief:

BRIEF FOR SUBMISSION TO THE PARLIAMENTARY COMMITTEE ON VETERANS AFFAIRS IN SESSION AT THE HOUSE OF COMMONS AS OF MARCH 10, 1948.

Presented by the Federation of British Canadian Veterans in Canada.

Subject: The War Veterans Allowance Act.

Object:—The inclusion of all British Canadian Veterans, who have served in an active theatre of war 1914-1918—known as World War I in this instance and, in addition, who have been domiciled in Canada, continuously, for ten years prior to September 1, 1930, and ten years since the Act came into force, September 1, 1930, making a total of twenty years, in combined domicile, into the benefits of the War Veterans Allowance Act.

If I might comment briefly on that particular clause of the section, we feel—I am sorry and I shall have to repeat myself—but we feel we cannot deviate, in all fairness to those who support us, that we cannot deviate from the present existing clause or section of that Act which is passed. Principally, in fact, one of the basic principles of the Act is active service. We do not seek—and

neither have we any right to seek—that anything should be recommended whatever. We are confining ourselves solely to the existing provisions of the Act.

2. Restricting ourselves, our aims and object, to the provisions of the War Veterans Allowance Act, solely, we seek to include in the aforementioned provisions of the War Veterans Allowance Act:—

The British Canadian Ex-Service Women

who meet the requirements of ACTIVE SERVICE STATUS, as applying to the male Veteran, and domicile.

3. The Widows and Orphans Allowance.

4. The Dual Service Pension.

The above Two Provisions are contained in the War Veterans Allowance Act.

5. The War Veterans Allowance Act, being Canadian in its legislation has debarred the British-Canadian because, although he has served in an actual theatre of war with the veterans of this country, he was not domiciled in Canada prior to the commencement of hostilities in the year 1914. Canada is the senior daughter of the British Empire. The fight for freedom during the years 1914-18 was side by side—British-Canadian. The full representation of British with Canadian Veterans in Canada is exemplified in every major Canadian veteran body. And they are, in total, almost 100,000 STRONG.

In that respect, the statement that we could overcrowd the House of Commons by many thousands, is a little exaggerated in view of the fact that the Act was passed 18 years ago, and, unfortunately, and regrettably, a number of our veterans have passed on.

(Brief)

Many briefs have been submitted to the government and parliamentary committees on Veterans Affairs covering a period of years, including one, by the federation of British-Canadian Veterans in Canada, on May 2, 1946, and we feel that the problem should now be favourably decided in respect to our inclusion. The War Veterans Allowance Act has come to be regarded, and recognized, as the social security measure for Veterans. The distinctions that have been made are distasteful to men who have fought side by side, in the same cause, on active service in a theatre of war. The fundamental object of legislating the War Veterans Allowance Act was to relieve from necessity the veteran who is incapable of maintaining himself. We could over-crowd the House of Commons with several thousand British-Canadian veterans who have been incapable of maintaining themselves owing to sickness and ill-health, since the Act was legislated.

Let me explain: As I said previously, you will find Imperial veterans in practically every major veteran organization; they are there somewhere as members of the organization.

6. After paying taxes—raising our families, contributing to the federal treasury, from which all federal expenditure, including Canadian Veterans pension legislation, is drawn, for twenty years, can any Canadian born native judiciously and in fairness, with honest purpose, especially the honourable ministers and members of parliament, continue to deny us admission to the benefits of the War Veterans Allowance Act? Our sons and daughters have served for you in the World War II. And they will serve again, if need be. And, if we are able, so will we, their fathers, domiciled in Canada and proud to be Canadian. Truly, we are entitled to more than a “few crumbs” social security is our goal. of this nature.

7. The Citizenship Act of January 1, 1948 has, by legislation from this very parliament, christened us Canadian, and as such given us the right to enjoy Canadian veteran legislation which has been enacted after the cessation of hostilities where the World War I, is concerned, and since we have been domiciled in Canada. In view of these arresting facts, how can you any longer deny our inclusion in the benefits of the War Veterans Allowance Act?

I mentioned the Citizenship Act in support of the fact that we are striving to be known and recognized as Canadians.

If it meets with your approval, Mr. Chairman and members of the committee, may I respectfully draw your attention to the Citizenship Act, page 4, part II, section 9, which states that a person other than a natural born Canadian citizen is a Canadian citizen, if he, immediately before the commencement of the Act, was a British subject who had Canadian domicile.

That is in your Citizenship Act, gentlemen. I respectfully draw your attention to page 11 of the same Act, section 27, which reads as follows:

A Canadian citizen other than a natural-born Canadian citizen shall, subject to the provisions of this Act, be entitled to all rights, powers and privileges and be subject to all obligations, duties and liabilities to which a natural-born Canadian citizen is entitled or subject and, on and after becoming a Canadian citizen, shall, subject to the provisions of this Act, have a like status to that of a natural-born Canadian citizen.

8. The British Canadian domiciled in Canada since the Act was created has spent more than half of his employable life in Canada—our children are dedicated to Canada, also, and in the years to come their children will be, too, on equal basis with the Canadian native.

In respect to that, Mr. Chairman, I do not think any one of this committee could deny this truth: that we have, for twenty years or more of our domicile here, become an important part of the life of this country. No one can deny that. That is all the comment I have to make on that, Mr. Chairman.

9. The tragic and pitiful condition of our British-Canadian veteran during the past ten years or more, yes, and including the "dirty thirties" when he was, and still is, debarred from the benefits of the Act, is still a ghastly reminder to every member of parliament and us. Yet, we have remained loyal Canadians through the years.

Mr. Chairman, I would briefly enumerate a few of the social service measures now existing in Great Britain which a Canadian, upon becoming domiciled there, benefits and enjoys. With respect to qualifications which we have, for example, where unemployment insurance is concerned; and they are qualified also—there is no period at all demanding that that shall be done; but definitely, after twelve years domicile in Great Britain, he can enjoy every form of social security which exists there. Here are some of them, Mr. Chairman and gentlemen, the Fair Wage Allowance Act; the National Insurance Act; the National Insurance Industrial Injuries Act; the National Health Service Act; the National Assistance Act; and, briefly, the benefits of these are available to a Canadian after being domiciled there twelve years.

10. Desiring to strengthen any weak points which existed in our brief of May 2, 1946, we beg to state, in fact, that any Canadian veteran resident in Great Britain for twelve years can enjoy any legislation by the British parliament appertaining to social security, without any pre-aging, owing to war service having to be considered for qualification. In fact, as previously mentioned, all forms of social security for himself and his family. Are we asking too much to enjoy one form of social security? We do not think so!

If you will remember, I mentioned a yardstick, if you wish to call it so, of twenty years, but they ask us twelve years only.

11. Having served in a common cause the principle involved in our inclusion is limited, in expense—to active service status—and domicile. It is not to be expected that the veteran who has not fulfilled the three principles shall enjoy the benefits of the Act. Furthermore, the veteran migrating to Canada, for example, since the cessation of hostilities of World War II will not expect, nor become eligible, until he has fulfilled the three basic principles. The domicile period is not intended to appear as a "means test". It is the yardstick we have been compelled to advance in support of our claim to parliament. Therefore, the group of British-Canadian veterans involved would be those who have been domiciled in Canada prior to the Act coming into being, September 1, 1930, and continuously resident here for twenty years, which brings the limit to almost the commencement of World War II. The migration of British-Canadian veterans during the thirties was very negligible compared to the migration since the cessation of World War II.

We feel we have a group which is now in immediate need of entitlement to this Act, the group which have been domiciled here for twenty years.

Please do not misinterpret the division of ten years before the Act, and ten years after. The division is merely to convey to you the fact that the major migration of veterans occurred from the cessation of hostilities of the First World War up to, shall we say, for example, until 1930. The emigration of British immigrants from 1930 on is not quite so comparable as the ten years prior to that.

However, to achieve the twenty years domicile, it would also cover—the first of September, 1930—that covers the period of ten years after. Now, perhaps, the thought might be in your mind as to what immigration there was to this country from 1940 until, shall we say, 1947. Let me say that was also very negligible compared to the early immigration of the British Canadian who has lived here continuously for twenty years, and who, shall we say, for example, may have come here in 1920. In 1940 he has fulfilled the basic principle of the Act, of the War Veterans Allowance Act, because he has been here for twenty years. In that respect, I would like to feel there is no misinterpretation of that period and that simply it is used as an example to cover the twenty years and also to convey to this committee that the majority who are in need, who are seeking entitlement, are those who came, in the early years, and who have been domiciled here for twenty years.

12. The same principle applies to the Canadian veteran, who saw active service, in World War I, and only World War II.

13. This brief is submitted by one of the most loyal-courageous-law-abiding and certainly deserving body of British-Canadian veterans—now Canadian, this country has ever known. Fully supported by every major Canadian veteran body, including the Canadian Legion Convention held at Quebec, two years ago, when 1,600 delegates gave a rousing approval of our cause. During a conference, held at Guelph, Sunday, March 14, of this year, when a total strength of more than 50,000 veterans in Ontario was represented, our aims and objects were soundly endorsed to a man. We pray that now this Parliamentary Committee on Veterans Affairs will eliminate all distinction so personified in recent parliamentary committees, and on facts herein stated, thus render a favourable decision, because we are now Canadian, dedicating our lives to Canada.

A copy of this brief has been forwarded to every federal member of parliament, in whose respective constituency there is a British-

Canadian veteran trusting that the member will become aroused to the necessity of immediate thought, consideration and action, in comradely support of British-Canadian veterans' cause.

Respectfully submitted, on behalf of the FEDERATION OF BRITISH-CANADIAN VETERANS OF CANADA, Stephen G. Jones, Past President, 777 Eglinton Ave. W., Toronto.

Mr. Chairman and gentleman, I trust I am not taking too much liberty if I call you comrades. We are all veterans here. All of us have served. I served in the First Great War, and I served in the Second Great War in an auxiliary capacity; and, as I mentioned, at the opening of my discussion, what we seek is entitlement. Give us entitlement, that is what we seek. We do not seek anything more. We do not seek anything more than this committee might recommend, to give us access, entrance and entitlement into the provisions that now exist in the War Veterans Allowance Act.

I thank you very much, Mr. Chairman.

The CHAIRMAN: Thank you, Colonel Jones.

(Applause).

The CHAIRMAN: The committee have heard the presentation by Colonel Jones, and the usual practice prevails. If any member of the committee wishes to direct any questions to Colonel Jones, or to his companion, Mr. MacKay, he is free to do so.

By Mr. Herridge:

Q. I listened with great interest to the presentation by Colonel Jones, and I want to say that I, for one, heartily support the proposal that British-Canadians who reside in this country benefit and be brought under the terms of the War Veterans Allowance Act. But I would point out what I consider to be a point of weakness in the presentation of the brief, in making it possible to mobilize support in parliament and in the country for this proposal.

As I understood Colonel Jones' presentation: he asked for a British-Canadian, if he wishes to reside in Canada, to be brought under entitlement, according to the present terms of the Act, and that with respect to active service, service in England in the first world war would not be considered as active service.

I would bring out this point: that, if that condition remains in the Act, then thousands of Canadians who went over in the First Great War, but who did not have the opportunity of serving in France—having in mind many men whose service was performed in the combat area, and also having in mind men who just happened to land on the shores of France. This is a democratic country, and every government must consider public opinion when dealing with these questions.

Now, the Legion, in its brief, item 2, regarding World War veterans and service in Great Britain, recommended that the benefits of the War Veterans Allowance Act be extended to the Canadian veteran who had served in Great Britain in World War No. I, and I support that proposal.

And there is a psychological aspect to this question as well. If the Act were amended to permit British-Canadian veterans who have twenty years residence in Canada, and who served on Canadian service to receive the benefits of the War Veterans Allowance Act, then in my opinion, without amending it, and according to recommendation No. 2 of the Canadian Legion, you would run into a very difficult situation as well as a great deal of pressure from many Canadian veterans and many Canadian people.

Therefore, my question to Colonel Jones is this: in view of the fact that this presentation is rather divorced in that respect from the presentation of the parent body, of the Canadian Legion, does not the witness think that in making

his presentation in that way he has weakened his presentation on behalf of the British-Canadian veteran, and was consideration given to that aspect of the question before the brief was presented?

Mr. LENNARD: Just before Colonel Jones answers that question, let me say, that I did not quite follow Mr. Herridge.

The CHAIRMAN: I did not, either, and I was going to see if Colonel Jones did.

Mr. LENNARD: As to that British-Canadian veteran who has resided in this country for twenty years, and as to what they are advocating: England was his home, that was his domicile during World War I, and if he did not serve out of England, then he would not be entitled, I feel, to any of the benefits under this Act. Can Colonel Jones answer that?

The CHAIRMAN: Before Colonel Jones answers you, I would like to say that as an individual I do not concur with the idea expressed by Mr. Herridge that there is any weakening of the brief by failure to suggest an amendment to the legislation which is solely within the sphere of the Canadian Legion, whose members, for the most part participated in the legislation. Rather than to suggest an amendment to that legislation—I thought that Colonel Jones displayed both tact and good sense by his coming before the committee and putting his case squarely on entitlement for those people whom he considers to be deserving; because it might be considered questionable tactics for him to criticize a piece of legislation under which he was seeking entitlement.

So, I thought his was a rather shrewd proposal; and I think that the most important thing—whatever the decision of this committee may be—that the one thing which Colonel Jones appears before us to urge is the question of entitlement.

We want the benefits, he says, whatever benefits exist under this legislation, for the group of people whom we think are entitled to it.

I did not understand that Colonel Jones was advocating benefits for British-Canadian veterans who had served at home, but rather that the basis of this presentation was for the battle veterans, those who had served in a theatre of actual war. So I fail to see where is any cause of immediate conflict between the Canadian veteran who did not serve in a theatre of actual war, since Britain was not so considered; and the British veteran who had. Many of those men are battle casualties.

By Mr. Ross:

Q. I was not able to follow Mr. Herridge either. Let me say that I was much impressed with the presentation of Colonel Jones and I thought he was rather modest.

This has been a problem before this committee in the past, and I would like to approve this presentation. If he could clear up Mr. Herridge's question—I was quite impressed with his presentation and I would be prepared to endorse such a presentation as I understand it.

The WITNESS: Thank you, Mr. Chairman and gentlemen. Now, you ask me to answer your question, Mr. Herridge. I do not propose to answer your question. In so far as making any recommendation: that the British-Canadian veteran should enjoy this or that or any other amendment which may be sought by this committee—I do not propose for one moment to interfere with the present basic provisions of the War Veterans Allowance Act.

I am sorry, in that respect, but I speak as an individual. Please permit me to say that, as far as the theatre of war is concerned, that is the business of your Canadian government. That is the business of this country, to decide that issue, and I decline to become involved in any way, shape, or form in saying whether the Canadian who did not see active service, or the Canadian who did, should be entitled to receive one thing or another.

Please permit me, Mr. Chairman, to remind you that we are seeking solely, entitlement. I think the chairman answered Mr. Herridge very fully and remarkably well, if I may say so.

Mr. HERRIDGE: There seems to have been a misunderstanding in my approach. I rather thought the chairman sought to take the wind out of my sails.

The CHAIRMAN: Not consciously, Mr. Herridge; I was just trying to clear it up in my own mind, as much as anything else.

Mr. HERRIDGE: The witness, Colonel Jones, knows that I fully appreciate his proposal, but does he not think that he rather weakened his presentation of the case by not, at the same time endorsing the Canadian Legion's proposal concerning Canadian veterans who served in England, and that, in that way, he would get much more public support for his presentation?

Mr. LENNARD: They are here on behalf of the British and not on behalf of the Canadians at all. I think it would be presumptuous for them to do so.

Mr. HERRIDGE: I just asked a question.

The CHAIRMAN: Apparently it has been answered.

Mr. QUELCH: I would like to congratulate Colonel Jones on his brief. I think he was wise in putting it on the question of entitlement.

I think in the past the attitude of this committee has been that the Imperial should only be granted benefit of the War Veterans Allowance Act on a reciprocal basis, that is, if a similar benefit, or the benefit of a similar measure were made available to a Canadian in Great Britain. I believe that has been our attitude in the past.

But I think the witness' point is a good one, and that social security measures in Great Britain have been greatly increased in recent years with the result that Canadians who are in England are getting the benefit of certain social security measures which are not available to Imperials in Canada because the social security measures in England, on a civilian basis, are greater than those in Canada at the present time.

Therefore, there is a very strong argument in favour of the suggestion made by Colonel Jones, that the Imperials who have resided in Canada for twenty years should be made eligible under the War Veterans Allowance Act. I would certainly be prepared to support it in that way.

Mr. BENIDICKSON: What are the differences between the rates and the benefits in England and those existing here?

Mr. QUELCH: I have not the legislation here, but I have seen the different legislation at odd times respecting hospitalization and allowances. I think you are perfectly well aware of them, but I have not got them here and I would not try to recite what they are from memory. In recent years a lot of social security legislation has been brought out. I have read it, but I would not like to deal with it from memory.

The CHAIRMAN: Are you through with your questioning, Mr. Benidickson?

Mr. BENIDICKSON: There has been a great deal of social legislation here. I think that section 10 of the brief answers his point. It indicates that the Canadian veteran resident in Great Britain for twelve years, can enjoy any legislation of the British Parliament pertaining to social security without any pre-aging owing to war service having to be considered.

I wonder if Colonel Jones could tell us whether or not a Canadian who was not a veteran would have to have a residence of longer than twelve years in Great Britain, in order to obtain those British social security provisions.

The WITNESS: No, sir, he would not; oh, no, he would not! The twelve-year principle comes into certain measures that exist—not all of them—but

into certain measures that exist. Be he a veteran or a civilian, there is no difference. After a period of twelve years, he would become entitled to all the measures of social security.

Mr. CRUICKSHANK: I am glad to be here today. Let me say that one of the members from Toronto—although his explanation is not very good—nevertheless he came from an excellent battalion. Mr. Meredith served in the battalion which won the last war.

The CHAIRMAN: You will notice that he did not mention it.

Mr. CRUICKSHANK: Possibly he was bashful; most of the 29th men are. I still think, with all due deference to this Association, that the Legion has put forward the best-considered and the best-thought out brief of any which have come before us. I am all in favour of it one hundred per cent. But I would like to say that I think the member of a Canadian reserve in England is just as much entitled to it as the British veteran. He went over there. He did not know he was going to be bombed.

I would support their brief provided it included the Canadian Legionaire who served. It is a security program for those who are burned out. We have the old age pension covering all, and I think this right ought to be the right and privilege of every veteran who served in the First Great War whether he be a British or Canadian veteran, and irrespective of where he served..

Mr. BROOKS: I do not think we want to have any misunderstanding with regard to this. As I understand it, the Canadian Legion recommended that Great Britain be made a theatre of war. That is their right, taking the broad picture.

Now, Colonel Jones is here this morning representing the British-Canadian veteran and it is his right to present his brief for his own people asking for entitlement under the War Veterans Allowance Act, and not in any way indicating that they are opposed, because it is none of their business anyway, and they realize it. They are in no way opposed, as to Canadian veterans who served in England, having England included as a theatre of war.

Mr. HERRIDGE: I must have misheard the witness. I thought I heard the witness say that they differed in that respect from the parent body.

The CHAIRMAN: They only differed in the fact that they were restricting their presentation to that which affected themselves.

Mr. CRUICKSHANK: The witness definitely said that. I think I can say that to Mr. Herridge. We are endorsing the Legion's stand throughout.

The CHAIRMAN: We have not got to a consideration of that.

Mr. BROOKS: We are all endorsing the Legion; let us make no mistake about that.

Hon. Mr. GREGG: I wonder if Colonel Jones could give us an estimate of the grand total of the number of British-Canadian veterans of the First War now in Canada regardless of the Imperial division of your own organization, or as to the membership. Have you an estimate of the grand total of the first war veterans who are now in Canada? And have you made any kind of estimate based on your own definition of "battle service" as to the cost figure, with respect to those who might possibly be entitled, if eligibility were granted?

Mr. LENNARD: I would draw to the Minister's attention the fact that officials of his own department could not give that information when it was asked for the other day.

Hon. Mr. GREGG: I thought perhaps the organization might have assembled something on it. It should be said that the British-Canadian, or the association, is not a subsidiary body of the Canadian Legion; the Imperial division is, but your organization is not.

The CHAIRMAN: Might I just point out, with respect to what Mr. Lennard just said. The chairman of the War Veterans Allowance Board will, at the

appropriate time, give the information which the department has with respect to the numbers; and I would point out to the committee and to Mr. Lennard that it is not necessarily the function of the department to maintain statistics of persons with whom they are not concerned.

Mr. LENNARD: That's right; I was not quarrelling with the department.

The CHAIRMAN: O.K., then I do not have to defend it, but it is apparent that there must be all kinds of people concerning whom they have no jurisdiction and about whom they do not know the facts.

Mr. BENEDICKSON: Could the chairman of the War Veterans Allowance Board make some attempt to show what numbers might be entitled to receive a grant, upon twenty years, and who would have had service with our Allies? Could the chairman of the Veterans Allowance Board, when he inquires as to the possible numbers which might be involved, also make inquiries to see how many might have been twenty years resident, how many have that qualification, and how many have served in the forces of an ally, such as France or Italy, or in a bombed-out country?

The CHAIRMAN: I will bring that to the attention of the chairman of the Board. Now, perhaps Colonel Jones would answer Mr. Herridge's question.

The WITNESS: In reply to the Minister's question, might I refer you to the parliamentary committee of two years ago. You may correct me if I am wrong, but I think that Colonel Garneau did give some figures at that time. There was a statement in *Hansard* which, I think, stated there were 186,000 veterans of British-Canadian origin in Canada at that time. That is not correct. We did estimate, that is up to 1946, that there were 86,000; but that figure naturally has been decreased in the past few years with the passing of all those old comrades; so we feel, now, there are at the present time between 60,000 and 70,000 British-Canadian or Imperial veterans in Canada, veterans of the First World War solely; and these would be immediately eligible to entitlement under the War Veterans Allowance Act.

And with reference to the people covered, approximately a number of between 3,000 and 4,000—permit me to qualify—3,000 to 4,000 who have been domiciled in Canada for twenty years or more—not solely twenty years, but for twenty years or more. Those who have been domiciled that length of time constitute the group who have been waiting for entitlement under this Act; and that would be the major group with whom you would be primarily concerned, if you were to grant us entitlement.

The veteran who came in 1930, in another two years' time, he would have twenty years' domicile; but please allow me to draw your attention to the fact that that is not the sole qualification of entitlement under the Act. There is a physical disability; there is an age group also that is very important and these constitute basic principles of that Act.

As to the twenty years, we are using that principle as it applies, I believe, to most forms of social security in Canada. For example, you have the old age pension or grant as you call it. There is a twenty-year yardstick there; and there are twenty-year yardsticks in your provincial government's welfare and other social security measures. So we feel we should not differ in that respect.

We have tried to convey to you our reasons for wanting entitlement, insofar as through those years, as we become a part of the life of your country, we have paid taxes, built our homes and we have become Canadians; and the migration is very negligible from 1940 on.

I come back now to the group who are in immediate need, and of them I do not think there would be any more than 4,000.

Mr. LENNARD: From what you have said, you do not feel that if the British-Canadian veterans were included under the War Veterans Allowance Act, it would be uncontrollable, or that it would be limitless, but that there is just a certain number who would require the benefits?

The WITNESS: That is so. At the moment, the limit was limitless or uncontrollable, but the value as far as that is concerned, is limited to the present immediate needs of the group which I have just mentioned.

By Mr. Lennard:

Q. In a certain age bracket, you mean.—A. Yes; they are in the sixty years; these old comrades are in that group, and those are the ones who are primarily concerned with being taken care of.

While I am on my feet, I would like to clear up any misapprehension regarding the parent body or the Imperial division of the Legion, as to what they have been seeking compared to us.

Now, we are heartily in support of the Imperial division of the Canadian Legion, and of the Canadian Legion too. But, gentlemen, can we say that we want this amendment, or that we want this factor included or considered in the War Veterans Allowance Act? We are heartily in support of them and so are they of us. There is no division of thought. I do want to make that fact clear; but we are in a different situation to them, a much different situation.

They are Canadian soldiers. They are enjoying Canadian legislation under the War Veterans Allowance Act; and they can make what amendments or propose such suggestions as they see fit, but we cannot do that. We are in wholehearted support of them, and they are behind us, too. They have mentioned different principles in their brief as compared to ours, but I do not feel that there is any infringement on one side or the other.

By Mr. Cruickshank:

Q. Are you in accord with the recommendation made by the Canadian Legion?—A. Recommendation as to what?

Q. In connection with Imperial or other veterans, respecting service overseas?—A. No. I think that is a very unfair question. As I have just said: we cannot, until we are granted entitlement, agree to anything, such as an amendment to the provisions as they now stand. We just cannot do it.

Q. I did not mean the provisions as they stand at present. I meant the recommendation of the Canadian Legion. Are you not in accord with them?

Mr. LENNARD: I do feel there are probably some unfair questions being asked. After all, these comrades came here and presented their brief, and I feel that any questions asked of them should deal with certain points within that brief.

The CHAIRMAN: As I pointed out in the beginning, so far as the chair is concerned, these gentlemen asked to come and present a brief here. I have no power to restrict the members of the committee from asking any questions they like.

Mr. LENNARD: I understand that.

The CHAIRMAN: But Mr. Jones has made his position clear to the committee and he is perfectly within his rights and he will have the protection of the chair if any of the questions which are asked him, in his opinion, encroach upon his prerogative.

Mr. CRUICKSHANK: I did not mean to be unfair, and if it be thought so, then I would withdraw my question. I am quite in accord with the representations, but I still feel that the Canadian Legion's brief is correct. Goodness gracious, as a member sitting in the Canadian House of Commons committee, surely I can ask a question. We are in accord with the Canadian Legion.

The CHAIRMAN: I am sorry, gentlemen; I am addressing myself, but unintentionally. You know the penalty for talking to yourself; please do not invoke it.

The witness has made an explanation of what his desires are and has said that his association feels that they have no right to make a declaration which implied criticism of an Act to which they have no entitlement; and he has said over and over again, that what he desires to do is to seek, for his association, entitlement under the Act.

He has said that they do not oppose any Canadian attempt to amend the legislation; and they hope that, as beneficiaries, if they receive entitlement, that they may share in whatever benefits there are.

He has said that he approves of all the Canadian Legion is attempting to do, and that the Canadian Legion has improved their brief. When the witness says that his organization does not want him to be put in the position of arguing somebody else's brief, we should receive that opinion; and so I suggest that Colonel Jones should not be pressed to make a declaration which he, frankly, says is not in his province to make.

Mr. BENTLEY: I think the witness has made a very excellent presentation of his case and I think his stand with regard to the question has been the correct one.

There are groups seeking entitlement under the Act as it exists at the present time.

The CHAIRMAN: Or as it may be amended.

Mr. BENTLEY: And if they are acceptable, and their requests are granted, they would obviously expect to share in whatever changes, be they for better or for worse, that may come in the Act at a later date.

Obviously, if they are granted entitlement, and become entitled under this Act to share in its responsibilities and enjoy its benefits at some future time, then, this association, or someone acting on its behalf, may be in a position to suggest some changes which they might feel would be more beneficial.

At any rate, I am glad the witness has explained his stand and I, personally, am in support of the suggestion and I am inclined to think that is the opinion of a great many of this committee as well—that they are going to give wholehearted support to the suggestion made by Colonel Jones this morning.

Colonel Jones mentioned that a Canadian domiciled in Britain for twelve years would come under all the social legislation that exists in that country or which will come into effect in the future.

Colonel Jones did say, in his presentation, that the Canadian who has twelve years domicile in Britain is able to enjoy all the benefits of social legislation which other citizens of that country can enjoy to the same extent.

But I think, Colonel Jones, it is only fair to say also that people of British origin domiciled in Canada without any domicile regulations, also enjoy all the civilian social legislation that there is in this country. I think that is an important point. I can see what you are trying to get at; but nevertheless, I think that should not be overlooked. I am in complete accord with your presentation and I hope you will be granted your request.

Mr. JONES: Thank you, sir.

Mr. BENEDICKSON: That is the point I had hoped would be brought out. Some of our social benefits are made available to fairly new arrivals in this country; for example, family allowances require very small residence in this country before they start.

The CHAIRMAN: Gentlemen, we have had the presentation from both the National Council and the British-Canadian Association and we have had a fairly general discussion on these two presentations. Now, before we begin our clause by clause consideration of Bill No. 196, the committee agreed, at our last meeting, that we would relate these representations to the actual details of the clause itself. And I said, at the beginning of the meeting this morning,

that we will not sit this afternoon as we had originally planned to do, as it is the intention of the Minister to introduce the Pension Bill into the House this afternoon. I hope you will all be there.

Hon. Mr. GREGG: Might I interrupt at this point: The leader of the House, last night at my request, as far as Bill 196 was concerned, indicated the order of business; and the first item is Bill 220 to amend the Loan Act. Then a committee of the whole on Bill 126, and this would be No. 3 on the Order Paper, that is, the Pension Bill.

Now, it may be that the Loan Bill may continue beyond four o'clock, so it will be up to you and your committee, whether you wish to meet at four o'clock, or to decide now to defer it until evening.

The CHAIRMAN: Am I right in this: That the committee is now through with the witnesses?

Mr. HERRIDGE: Would you allow me to ask a question?

When I started to ask this question before, I forgot that Colonel Jones was not a witness for the National Council.

In the Legion brief, the Legion recommends \$50 a month for a single person and \$85 for a married person. Now, the National Council in its brief, recommendation II, says:

That the war veterans allowance rate to eligible ex-service married or single men or women should be increased to \$50 per month. Comment: (From March 15, 1948 brief)

We have made this recommendation with a view to relieving hardship in cases of both single and married men. We believe the amount we have recommended is definitely warranted under present conditions.

Further Comment:—For those who have supplementary income through earnings, limited superannuation or war disability compensation up to the permissible limits, the situation is not quite so difficult. For those who have little or no supplementary income and are wholly unemployable, very definite hardship is involved. Under the circumstances we cannot envisage any man being able to decently exist on \$30 or even \$40 per month short of leading a hermit's existence, with little or no shelter charge involved or being partially dependent on relatives or friends, or even strangers. Since entitlement to this allowance is based on meritorious service and the effects of such, our recommendation is designed to affect the single or married ex-serviceman and not dependents. The allowance to the wife of the war veterans allowance recipient has been \$30.83 per month. This for some years has been \$5.83 per month more than the allowance to the wife of the 100 per cent pensioner and is still 83 cents per month more than the improved allowance to the wife of the pensioner as proffered within recent weeks. We cannot see the equity of this differential.

Now, Mr. Chairman, I think the committee has great hopes that the present amount will be increased in the near future, and if that happens, this inequality, which is set out by the National Council of Veterans, would not continue to exist. In that case, would they support the Canadian Legion's proposal for \$50 for a man and his wife?

Mr. BAKER: \$50 for the man, and an allowance for the wife equivalent to the increased amount for the wife of a 100 per cent pensioner.

The CHAIRMAN: It has been brought to my attention by Mr. Jones, that it is the desire of their organization, with the consent of the committee, to have Major Meredith of the National Council say a word about the brief.

Major MEREDITH: Our president, His Honour Stanley Carr, of Edmonton, was unable to come here on account of pressing business and I am here in his

stead representing the Canadian Corps Association which is composed of approximately 125,000 veterans of Canada who served in an active theatre of war. The Imperial Veterans' Association is a member of our association and has been since the great reunion of the Canadian corps in 1934. We are therefore standing solidly behind the Imperial veterans in their request for entitlement. That is all I wanted to say.

The CHAIRMAN: I was not aware, when I spoke a moment ago, that our bill was not first on the list in the House this afternoon. Our next order of business is the clause by clause study of the bill and in that connection we will want to relate the various briefs before us. If we do sit at 4 o'clock this afternoon I would suggest that on receiving notification that our bill is before the House that we adjourn. If, however, you are satisfied with your day's work I will entertain a motion that we do not sit again.

Mr. LENNARD: I would so move. Due to the uncertainty as to when this bill may come before the House I would move that we do not sit again this day.

Carried.

The CHAIRMAN: We will sit on Thursday morning and again on Friday morning.

The meeting adjourned to meet Thursday, May 13, 1948 at 11.00 a.m.

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Canada, Veterans Affairs Special
Committee on 1947-48

(SESSION 1947-1948

HOUSE OF COMMONS

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SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 18

THURSDAY, MAY 13, 1948

WITNESSES:

Mr. W. S. Woods, Deputy Minister, and Mr. K. C. Rappell, Departmental Solicitor, Department of Veterans Affairs;

Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board.

MINUTES OF PROCEEDINGS

THURSDAY, MAY 13, 1948.

The special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Bentley, Blair, Dion, Emmerson, Gauthier (*Portneuf*), Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, McKay, Moore, Mutch, Quelch, Ross (*Souris*), Viau, White, (*Hastings-Peterborough*), Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister, and Mr. K. C. Rappell, Departmental Solicitor, Department of Veterans Affairs; Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board.

The Chairman tabled a letter dated May 11, 1948, from the secretary, Canadian Non-Pensioned Veterans' Widows requesting that a delegation representing that body be granted a further hearing, which is printed as *Appendix 'A'* to this day's minutes of proceedings and evidence.

Mr. Garneau was recalled, heard, and questioned.

The Committee proceeded to consideration of Bill 196, an Act to amend the War Veterans' Allowance Act.

Clauses 1, 4, 5, and 7 were adopted.

On motion of Mr. Lennard,

Resolved—That in future the Committee sit on Tuesday morning and afternoon, and on Thursday morning of each week.

At 1.00 o'clock p.m., the Committee adjourned until Tuesday, May 18 at 1.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 13, 1948.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, we have a quorum. We are now ready to consider bill 196, the War Veterans' Allowance Act. I have had one or two letters, one from Mrs. Caunt of the Non-pensioned Widows' Association, which I shall refer to the clerk of the committee at the close of the meeting. I am referring one or two other letters to the steering committee for consideration. We have no further applications for hearing from national bodies and we will therefore, proceed in the manner outlined at our last meeting.

At the conclusion of the presentation of the brief of the Canadian Legion the other day some member of the committee asked if Colonel Garneau, the chairman of the board, could give us facts and figures with respect to what was involved in fact, in order that we might have the facts and figures before us when we began consideration of the bill. It was agreed that we would then consider the bill clause by clause, and I am going to suggest for the consideration of the committee that we proceed in that manner; that when we come to clauses which are contentious and which are likely to be the subject of resolution, we stand those clauses until we have disposed of clauses which are not contentious, and that we consider the contentious clauses at the end.

I am aware of the temptation—I have been guilty of it myself—at some certain point to make a resolution respecting one of these contentious clauses. I think, as a matter of procedure, we will save time if we all impose a self-denying ordinance with respect to that and clear up the non-contentious parts first and then take the contentious parts one at a time. The other matter of resolving on a contentious point almost invariably results in a prolonged discussion that embraces other things; and my hope is that we shall be able to deal with this bill item by item and exclude that extraneous discussion.

Mr. BENTLEY: Mr. Chairman, shall we proceed with this discussion as we did with the pension bill; that is when we are at the end of the bill itself shall we be able, either through resolution or recommendation, to make changes?

The CHAIRMAN: There is no limitation at all. My suggestion is, for instance, that if clause 7—I am just suggesting that clause—is one concerning which you or someone else wish to resolve that we do something different with it, instead of proceeding with the discussion then, we will allow it to stand for the time being.

Mr. BENTLEY: I mean that even when we have completed the bill there may be some amendment to the Act which we might like to recommend and which is not contained in the bill.

The CHAIRMAN: The committee is perfectly free at the conclusion of the discussion of the bill, just as they were in the case of the pension bill, to raise any questions which come within the terms of our reference.

Colonel Garneau has a general statement which he was asked for. On someone's suggestion I asked him to prepare a departmental analysis of what was involved in the Legion brief, and after hearing that we can go on into other matters. I think we had better have that information first.

Mr. GARNEAU: Mr. Chairman and gentlemen, at the closing moments of the first sitting on the War Veterans Allowance Act Mr. Herridge asked me to give a brief outline of the work of the board in its process of administration and how cases are handled and so forth. I think this might be the appropriate time to give the picture of that situation. I have it here in the form of a memorandum:

WAR VETERANS' ALLOWANCE ACT

MEMORANDUM REGARDING ORDINARY ADMINISTRATIVE PROCEDURE ON

APPLICATIONS, ETC.

The War Veterans' Allowance Act is administered by the War Veterans' Allowance Board, under authority of section 3 (12 of the Act.

The Board is composed of five full time members, one of whom is chairman. It operates as a quasi-judicial body in its head office, which is situated in Ottawa. Except as to the power, authority, and jurisdiction of the board, the Department of Veterans Affairs is charged with the administration of the Act.

By direction of the board, the normal processing of applications, etc., originates in the various district offices of the Department of Veterans Affairs—of which there are twenty throughout the country—and in each of which there is a section, charged with the local handling of veterans' allowance matters, under the direction of the district administrator. Each district office has a supply of application forms, and other related forms which are required in the preparation of such cases. In addition, it may be added that the majority of the branches of the Canadian Legion, and other veterans' organizations, have on hand a supply of such forms as are required, for the convenience of prospective applicants who are quite often assisted by those local veterans' offices in the matter of preparing necessary documentation.

For the purpose of this outline, I will start with the receipt of the completed application at the district office. In compliance with the instructions of the board, the district office immediately registers all such applications upon receipt and classifies them into two groups: non-medical, and medical. The non-medical applications are those submitted by veterans who have attained the age of sixty, or veterans' widows who have attained the age of fifty-five, in which cases the medical factor does not enter into the picture. The medical category includes, of course, the applications of all those under the ages above mentioned, in which cases medical examinations have to be carried out.

Non-medicals:

In these cases, the application is promptly referred to the investigation section which arranges to carry out the necessary investigation into financial and domestic circumstances of the applicant.

Medicals:

For this category, the application is first of all referred to the medical branch of the district office, where arrangements are made for the carrying out of the medical examination. In the event that the medical examination report would indicate clearly that the applicant does not meet the requirements of the legislation, he is so advised and in many cases the application is withdrawn. However, the applicant is equally advised of his right to request that the application be further proceeded with and if he chooses to do so, the necessary investigation is carried out as regards his financial, domestic and other circumstances.

In both of the above categories, applications are dealt with by the Board only after the investigation has been made. For this purpose, there is in each district office a local committee composed of officials of the district office staff, which carefully considers each individual case previous to submitting it to the Board in Ottawa, with its recommendation. These district committees have no powers of adjudication, but their function is more specifically that of directing the preparation of the case; ascertaining that all necessary information available, or required, has been obtained in order to submit to the board, at Ottawa, as complete a case as possible. They have the privilege of making their recommendation in submitting the case for consideration and adjudication by the board.

War Veterans' Allowance Board:

Procedure at head office.

Upon receipt of the applications in the office of the board, in Ottawa, these are registered and examined to ensure that they are accompanied by all documentation required for the thorough study of the case. (If any such documentation, or information, is lacking, the district office is requested to obtain same).

The application forms, together with other documents, are then thoroughly reviewed and summarized by the review branch of the War Veterans' Allowance Board, after which they are submitted to the commissioners themselves for consideration and adjudication.

The commissioners work all day from 9 to 5 in the Board Room—This is really a shirt-sleeve job.

—where they individually make a study of each individual case and record their decision granting or declining the application. These applications and decisions in turn are examined a second time by another commissioner, who also records his decision. As two commissioners constitute a quorum, a unanimous decision by them becomes the decision of the board. In the event of a difference of opinion, the case is opened to discussion and consideration with the other members of the board.

I might interject something here that does not appear in my memorandum, but I thought it might be interesting to give briefly a few figures regarding the work carried out during the last twelve months:

The board has handled a total of 31,089 cases as follows:

Approved	4,684
Declined	2,031
Withdrawn and ineligible	213
Deferred	285

That gives a total of new applications considered of 7,213. The board has also reviewed 18,711 cases; and one of our specially trained reviewers, Mr. Turner, has checked over 5,165 cases, which checking has saved a good deal of the board's time. That gives the total of 31,089 cases between the 1st of May, 1947, and the 30th of April, 1948.

I shall now resume my memorandum:

In cases where the application is declined, the applicant is immediately notified of the board's decision, but he is also advised of his right to re-apply as and when he feels that he might meet the requirements of the legislation.

In the case of an application which is granted, the applicant is likewise immediately notified after which the case is referred to the records division of the department, for recording and statistical purposes and, subsequently, to the treasury office of the Department of Veterans Affairs for payment, etc. In these cases where allowances are granted,

steps are taken by the board to arrange for a periodical review to provide the opportunity of adjustment, or re-adjustment, in the event of changes in the circumstances of the recipient. Generally, such cases are reviewed approximately once a year.

It may be added that if an application is declined, the applicant is invariably informed that the board will at all times readily review his case, particularly when there is likely to have been a change in the circumstances, or the situation which obtained at the time of the first decision.

From time to time, the members of the board visit the various district offices, in order to look into the local administrative arrangements, and to personally review problem cases which may previously have been dealt with by the board. On these occasions, arrangements are generally made for personal interviews with the applicant and a review of all the facts with the district committee. This not infrequently results in the case being again submitted to the board for reconsideration, resulting in a change of decision.

The CHAIRMAN: Gentlemen, at the same time as Mr. Herridge asked for a general statement with regard to the board we had, as I said, just concluded the hearing of the brief presented by the Legion and I asked Colonel Garneau to give us the departmental broad summary of what was involved in these recommendations. I am in the hands of the committee as to whether you would like to have that estimate on the record now so that we will have it before us. We are, primarily, seekers of light. I think we might get that information from Colonel Garneau this morning.

Mr. GARNEAU: Mr. Chairman, in the closing moments of the sitting of the parliamentary committee in the matter of the War Veterans' Allowance Act, I was asked by you to give the committee the estimated cost of the proposed changes in the legislation as recommended by the Canadian Legion in its submission of that date to the committee.

Increase in Rates

The Canadian Legion of the British Empire Service League recommends that the war veterans' allowance rates be increased to \$50 per month, for a single recipient, and \$85 per month, for a married recipient.

This means \$600 per annum to a single recipient, and \$1,020 per annum to a married recipient. The present average cost per annum for married and single veterans is:—

Married veteran	\$615.08	per annum
Single veteran	326.17	" "
Widow with dependents	725.23	" "
Widow without dependents.....	357.61	" "

On the basis of the recommendation now before the committee, the above averages would be increased as follows:

Married veteran	\$ 859.42	per annum
Single veteran	536.16	" "
Widow with dependents	1,013.33	" "
Widow without dependents	587.85	" "

The estimated increased cost, according to the number of our recipients, would be \$7,297,618.56 per annum over the present liability.

Canadian Veterans of World War I with Service in Great Britain Only

The Canadian Legion of the British Empire Service League recommends that the benefits of the War Veterans' Allowance Act be extended to Canadian veterans who served in Great Britain only in World War I.

Veterans

In March 1946, it was estimated that there were 59,584 veterans with service in England only who would be potentially eligible under the Act. The normal death rate of our recipients is now 3.74 per cent; allowing for same, it is estimated that there would be 55,211 veterans with service in England only, who might now qualify if the Act were amended. An average of 15 per cent of potentially eligible veterans have been admitted to the benefits of the War Veterans' Allowance Act, and if this same percentage is maintained, 8,281 additional allowances might be awarded. On the basis of the present average annual payment of \$515.04 to veterans only, both married and single, the estimated additional annual liability would be \$4,265,046.24.

Widows of above

The widows of the above potentially eligible veterans would be eventually eligible to a widows' allowance. Our statistics, however, show that 4 per cent of the potentially eligible widows receive widows' allowances, and the present average annual liability to widows, both with and without dependents, is \$403.71 each.

The estimated increased liability under the proposed recommendation would be, at the present rates, \$133,608.01, or a grand total of \$4,398,684 to veterans with service in England only and widows.

Imperial Veterans

The Canadian Legion of the British Empire Service League recommends that the benefits of the Act be extended to veterans who served with the Imperial Forces in a theatre of actual war and who are not Canadian pre-war domiciled, but who have resided or have been domiciled in Canada for at least twenty years.

Veterans

According to the 1940 census, there were 36,015 ex-Imperial veterans living in Canada who would have been eligible to apply for war veterans' allowance, if domiciled in Canada as at September 1, 1930.

Now, may I interject here: in view of some of the remarks that were passed before, that these figures are based, as closely as we could estimate, on those with service in a theatre of actual war.

I understood, from some figures which were given that there were a total of 60,000 to 70,000 ex-Imperial veterans; but I am referring, myself, to the figures we had given in 1946 which were obtained at that time, and were as close as we could get them.

The census, incidentally, has no record of the service of the veterans as such, when they came to Canada.

As at December 1945, these figures have been reduced to 30,929, by deaths, etc.

If we apply the present death rate of 3.74 per cent the number of ex-Imperial veterans now eligible would be 28,660. If 15 per cent of these were admitted to the benefits of the Act, as in the case of Canadian veterans, we would have a potentially eligible list of 4,299. At the present average annual liability rate the additional liability would be \$2,214,156.96.

If 4 per cent of the widows of these potentially eligible veterans applied for and received widows' allowances, it is estimated that the additional annual liability would be \$69,034.41, or a total of \$2,283,190.00.

Now, this last recommendation of the Legion has nothing to do with the cost as such, but I am including it, after having shown it to the minister, as purely comment, I might say, on the recommendation.

Canadian Veterans in the United States of America

The Canadian Legion of the British Empire Service League recommends that the three months domiciliary requirement for war veterans' allowances be removed in the case of Canadian veterans returning to Canada from the United States.

This reservation in the War Veterans' Allowance Act was originally six months. It was reduced to the present three months in 1946. Its original purpose, I believe, was to ensure that a Canadian who had resided for a long time outside Canada had really made up his mind to establish his future domicile in Canada. It was to avoid the possibility of Canadian veterans in the United States or Canadian veterans in Canada moving back and forth frequently between the two countries, particularly where some had relatives living in the United States.

In actual practice this clause has not been a frequent factor in new applications. I suppose, subject to approval, that it might now be left out without detriment to the administration of the Act.

The CHAIRMAN: Thank you. Now, gentlemen, that concludes the presentations which were arranged for, so, with your approval, we might as well get on with the consideration of the Act, generally.

Mr. HARRIS (*Grey-Bruce*): Gentlemen, because it was not possible to get the totals quickly, I wonder if Mr. Garneau could tell us what the total increased liability, the Legion's representation would incur, over the present Act.

Mr. GARNEAU: I think I would have to take some little time to figure that out for you.

The CHAIRMAN: You may take a minute or two to figure it out, Mr. Garneau. Now, before we go on, has anyone else any further specific questions about departmental information which he would like the chairman to dig up for him? Mr. Garneau insists upon being called Mr. and not colonel.

Mr. WOODS: I am sure the committee will appreciate, when they receive the figures as to the estimated additional liability, if the proposals of the Legion be concurred in, that those figures indicate the minimum liability for the next year at the present rates. They do not have much bearing on what the liability may be in five years.

Mr. Melville told the committee, on a number of occasions, that the average veteran now was 59 years and some months; but when the average reaches 60 years, it can be anticipated that, with increasing years, they will become eligible for the war veterans' allowance. I only wanted to draw the attention of the members of the committee to the fact that the minimum liability for this coming year has not much bearing on the implication for the future. It is an implication which should be considered in the light of Mr. Melville's statement, that the average veteran, who is not disabled, is just about now reaching the age of 60, and they will be doing so in increasing numbers as the years go on.

Mr. QUELCH: On the other hand, there will be a lot of them passing away.

Mr. WOODS: Strangely enough, mortality among the recipients of the war veterans' allowance is lower than mortality in a similar age group among civilians.

Mr. GARNEAU: We estimate it as 3.74 per cent at the present time, but it does fluctuate. It reached as high as 4. something during the war, in 1944.

The CHAIRMAN: During the war it reached a point of 4.3 or something like that; and it has dropped to 3.74. Now that the anxieties of war are over, they are living longer.

Mr. Garneau will now give you that figure you asked for.

Mr. QUELCH: Are those figures based on the permissible income allowed in the new Act?

Mr. GARNEAU: No, under the present Act without reference to the proposed Legion's amendment; that is, if the Act, or the present rates were not changed at all, that would be the increased liability under the present Act. My figures may be subject to checking with respect to the Act, and under the amendment, but I make it \$13,979,492.56.

Mr. BENTLEY: Would that figure include the \$7,200,000 odd that would be granted is the changes in the Act to the present recipients recommended by the Legion were put into effect?

Mr. GARNEAU: That is perfectly right. I made a mistake there. I just rapidly went through this; these figures include the proposed change in rates.

The CHAIRMAN: On the basis of \$14,000,000 in round numbers.

Mr. BENTLEY: Therefore, there would be a further increase, if Great Britain were declared as a theatre of war; that \$4,300,000 odd for veterans with service in an actual theatre of war—and if Imperial veterans were taken in, that would be increased considerably. Could you state what the increase would be?

Mr. GARNEAU: I would have to make another table of calculations as to the estimated increase on the basis of the Legion's recommendation.

Mr. BENTLEY: Would it take long to do so?

Mr. GARNEAU: I would prefer to have a little more time to do it and give you a closely checked figure, as close as we can.

The CHAIRMAN: We will take up the bill now, clause by clause.

Clause 1, paragraph (g).

Does this subsection carry?

Carried.

Subsection 2 "salaries."

Does this subsection carry?

Mr. HARRIS: If we want to make a recommendation on this, I assume we can do so at the end of the bill?

The CHAIRMAN: Then you want it to stand?

Mr. HARRIS: Yes.

The CHAIRMAN: Subsection 2 will stand.

Section 3. The purpose of this amendment is to make it clear that the benefits under this part of the Act are limited to the pensioners who were members of the Canadian Expeditionary Force in World War I, of the Canadian Active Service Force in World War II, or of any other Canadian force in which pensioners had enlisted or been obligated to serve without territorial limitation. The purpose of the amendment, I think, is to make the benefits under this Act applicable, whether or not the pensioner enlisted or had been conscripted to serve without territorial limitation, and it confirms the policy which has been in practice.

Mr. WHITE (*Hastings-Peterborough*): I wonder if Mr. Woods would tell us what an actual theatre of war is, with respect to World War II.

Mr. WOODS: In World War II, Mr. Chairman, the actual theatre of war means overseas, which does not include the western hemisphere.

In the case of sailors, it is active service afloat; and in the case of soldiers and airmen, it is service in Great Britain, on the continent and in other theatres, wherever there was active warfare.

Perhaps it would be simpler to state the exclusion, which is the western hemisphere including Newfoundland and Bermuda, except in cases where a veteran was injured and was pensioned for his service.

Mr. BENTLEY: The Aleutian Islands are not excluded?

Mr. GARNEAU: No, the Aleutians are in, as well as Greenland and Iceland.

Mr. WHITE: Is not Iceland in the western hemisphere?

The CHAIRMAN: For the purpose of the Act, it is excluded from this Act, as was Greenland and the Aleutians.

Mr. QUELCH: Was the transport command included in the ferry command and those engaged in the transport of troops from Canada to Europe?

Mr. GARNEAU: That would be—we have not had a case yet of either the ferry command or just plain transport service in this war; but if they were regular navy personnel, they would be included in the Act. So far as the ferry command is concerned, I do not think so, unless they would be regularly enlisted personnel of the R.C.A.F.

The CHAIRMAN: Or the R.A.F.?

Mr. GARNEAU: Or the R.A.F., I mean.

Mr. BENTLEY: I did not get the last few words.

Mr. WOODS: As to the transport command, if they were not members of the R.C.A.F., they are not included as veterans under the War Veterans' Allowance Act.

The CHAIRMAN: Clause 3.

Mr. WHITE: Do I understand it correctly? That if paragraph 3 is passed now that that would preclude any future discussion or amendment that might be made to make England a theatre of war so far as veterans of World War I are concerned? If so, I suggest that we let that clause stand.

Mr. LENNARD: It would be under this clause that any discussion of Imperial veterans, the inclusion of Imperial veterans, would come, would it not?

The CHAIRMAN: I think it would come under "definition" in case of Mr. White's point. This paragraph deals with entitlement. I think Mr. White's point would properly come under this clause.

Mr. HARRIS: Clause 4 is simply a definition of a veteran; but if we wanted to include Imperial veterans, we would have to say so. I would like to ask this: does this change—you say it does not change the policy. The old section 4, put three "ors" between the various groups; it is not drafted in the same manner as this proposed change; does it amount to the same thing?

The CHAIRMAN: Perhaps Mr. Rappell, from the Law Department of the Commission, might answer your question.

Mr. RAPPELL: This amendment is practically the same as it was first put in the Act in 1930, and it follows the policy which has been carried out by the department and by the board since the inception. There is just a little clarification in regard to that. In the wording in 1946, when the Act was revised in 1946, the words: "Canadian Expeditionary Force" were put in there, which were in the Act originally.

As we all remember, Canadian Expeditionary Force, as related to World War I, was taken to mean active service. But, when World War II came along people were on active service who had no intention of leaving Canada at any time. They were paid active service rates of pay and therefore were declared to be on active service.

The CHAIRMAN: You mean "no intention" or "no obligation"?

Mr. RAPPELL: "No obligation" to serve outside, but they were on active service and they were called up to serve and were paid active services rates of pay.

We used to think of the C.E.F. and the C.A.S.F. and active service as being synonymous; but a new group came in in connection with World War II, when the revision took place.

Those of us who drafted it had the feeling that C.E.F. and C.A.S.F. and World War I and active service in World War II were synonymous; but they

were not quite synonymous and the department objected. In passing on the revision in 1946, they wished to streamline the legislation and to combine all services in one section.

We are dealing with World War I and World War II and that is why C.E.F. and C.A.S.F., those words are left out, and that is why it is required to put back in there, "obligated to serve".

At no time, as I understand it, was the War Veterans' Allowance Act supposed to be payable to those pensioners who got a pension when, at no time, were they obligated to serve on active service.

The CHAIRMAN: In a theatre of actual war?

Mr. RAPPELL: In a theatre of actual war. They may be getting their pension for that, but at no time were they obligated to serve outside.

Mr. HARRIS: I think that probably clears up my point.

Referring to the old section again, that is the one we are amending, it does say this:

...any former member of His Majesty's Canadian forces, who served during World War I or World War II in a theatre of actual war...

If we stopped at that point, you would be according entitlement to a veteran who served in World War I or World War II in a theatre of actual war. Is that correct? I am quoting from Section 4, subsection (c) of the present Act before its amendment.

...any former member of His Majesty's Canadian Forces who served during World War I or World War II, in a theatre of actual war,...

Mr. GARNEAU: He is, without question, entitled to war veterans' allowance, and this amendment was chiefly designed to keep the benefit of the Act, as it was always intended, to men who had served or volunteered for active service only, and to exclude members of the N.P.A.M., or other forces who may have been injured on duty, such as at Petawawa or Borden or some other place like that in the course of their annual training, who would be entitled to a pension under the Pension Act, and practically, they would have been eligible under the War Veterans' Allowance Act as it now stands because of the use of the term "His Majesty's Canadian Forces". One cannot deny that the militia or the N.P.A.M. or the reserve forces, as it is now called, are part of His Majesty's Canadian forces, but it was to keep to the original intention of the Act, which was designed for the benefit of the C.E.F. and the C.A.S.F. personnel.

Mr. HARRIS: Perhaps I have not made my point clear, so I shall go back over the ground gain.

Before we come to this bill, the War Veterans' Allowance Act, section 3, subsection (c) in defining the persons who are entitled to the benefits of the Act, said:

(c) any former member of His Majesty's Canadian forces who served during World War I or World War II and who

- (i) served in a theatre of actual war;
- (ii) is in receipt of a pension for injury or disease incurred or aggravated while he was enlisted or obligated to serve without territorial limitation with such forces; or
- (iii) pursuant to the Pension Act has accepted a final payment in lieu of annual pension in respect of a disability rated at five per centum or more of total disability,

Thus you see there are three possible classes who might be entitled under the Act.

Now, the present amendment would seem to me—and I am not an authority on draftsmanship—but it would seem to me that you have cut it down to two classes.

Mr. RAPPELL: This was incorporated; this is what was revised in 1946. It was incorporated. We now make it more acceptable.

Mr. HARRIS: Have you only got two groups now or have you got three groups?

Mr. RAPPELL: We have got the group in World War I, the actual theatre of war; and World War II, and the person who has got a pension by being obligated to serve in a theatre of a actual war. We have three.

Mr. HARRIS: Do you mean that the colon at the end of the word or in "i" should be "and", or should be an "or"? You say; a former member of His Majesty's Canadian Forces who served during World War I or World War II, and who served in a theatre of actual war;. Is that semicolon the equivalent to a further "and"?

Mr. RAPPELL: Oh, no, it is not "and".

Mr. HARRIS: Then let us get it clear.

Mr. WOODS: I think that Mr. Harris' point is well taken and that there should be "or" there; otherwise a veteran would have to comply with all of these qualifications.

The CHAIRMAN: That is not the intention. If it is the intention of the committee to stand this clause, I think that that amendment will have to be introduced.

Mr. WHITE: I was the one who suggested that it stand, and now Mr. Baker draws to my attention that theatre of war is defined in the second section; so I presume the correct method would be, if there is a motion, to include England.

The CHAIRMAN: Then, subject to amendment as suggested by Mr. Harris and accepted by the Chairman, shall section 3 carry?

Mr. LENNARD: No, certainly not. I am still of the opinion that if there is to be any inclusion with respect to Imperial veterans, it would have to come under this clause.

Mr. HARRIS: Imperial veterans could.

The CHAIRMAN: Mr. Lennard's motion then stands. Does the committee unanimously accept the correction, to change the semicolon?

Mr. QUELCH: I wonder if Mr. Garneau could give us a clarification of the words: "in respect of a disability rated at 5 per centum or more of total disabilities".

Mr. GARNEAU: At the present time a man with a 5 per cent pension or more, even if he had only incurred that disability in the N.P.A.M., would be perfectly eligible under the Act.

Mr. QUELCH: And the intention is what?

Mr. GARNEAU: To keep it the C.E.F. and the C.A.F.S. veterans, as has always been the intention of the Act from the beginning.

I may say that this matter has been taken up with the former minister. I mean, after the 1946 amendment, the situation that was created by changing the words, C.E.F. to "His Majesty's Canadian Forces", and he saw the point, but he said that it would be matter for an amendment whenever same are considered later. He took the same view as did the cabinet, that they should not change the intention of the Act, and that the privileges or benefits of same should be available to C.E.F. or C.A.S.F. veterans only.

The CHAIRMAN: I think we had better follow the procedure which we followed with respect to the Pension Bill and allow it to stand, as Mr. Lennard suggests and to carry it and to recommend what we do recommend; and where there is likely to be further discussion. I think we will stick to that procedure. Let that stand.

Mr. HARRIS: It may be that there is something in connection with this section such as a brief statement by a member of the committee. Let it stand so that the officials may look into it.

I wondered if we could improve the wording of "enlisted or obligated to serve". It is in the phrase that he "is in receipt of a pension". That infers that he was in the forces. But would it not be much simpler—and I do not want to set up my language against yours—would it not be much simpler if it said: "is in receipt of a pension for injury or disease incurred or aggravated while serving, with such forces without territorial limitation"?

If you say: he was obligated to serve, you are inferring that he might not actually have been serving. Would you give him entitlement if he was on his way to the depot to be called up?

Mr. BENTLEY: It is very difficult for us to hear Mr. Harris and I am bit confused as to what is going on. Is he comparing the words in paragraph 3 of the present bill with the words in section 4 of the present Act.

The CHAIRMAN: The point that Mr. Harris raised was with respect to the wording in clause 2 at the bottom of page 1. The words are, "while he was enlisted or obligated to serve"; and the question which Mr. Harris asked—he being a lawyer looks behind these words to a degree I would not think of—was, would a man who had received his call-up and was obligated to serve and was injured on his way to joining up be eligible under this Act? I suggest that the law officers of the Crown, in the interval while we are allowing this clause to stand, might reconsider the wording, "or obligated to serve"; and that that might be changed to something like "while he was serving", in order to make it abundantly clear even to a layman that it is designed to affect a man who was in fact enlisted or mobilized. It is a matter of phraseology, and Mr. Harris was just raising the question so that the law officers of the Crown might consider making the words clearer than we consider them to be.

Mr. QUELCH: There is more than draftsmanship involved here; this amendment actually proposes a change in principle. Up to the present it has been understood that in order to be eligible for allowance he must have served in a theatre of war or have received a 5 per cent pension. So long as he received the 5 per cent it did not matter whether he was obligated to serve in an actual theatre of war. This amendment will provide that a man will receive the war veterans' allowance if he was receiving a 5 per cent pension and at the same time was obligated to serve outside of Canada. It will deny it to others who did not serve outside; it will debar a number of men.

The CHAIRMAN: I think I may say that rather than suggest a change in principle it is an attempt to bring a situation which has arisen which violates the original principle of the Act back into conformity with the original concept of the Act which meant service in an actual theatre of war.

Mr. QUELCH: Are there any men with the 5 per cent disability pension who were not obligated to serve outside of Canada at the present time receiving the award?

Mr. GARNEAU: I believe there are two or three cases like that which we have had to admit; I know of one at least that we have had to admit who served in the Canadian militia only and was admitted because he was pensioned for an injury which occurred in a training camp.

The CHAIRMAN: Would that apply to men called out under G.O. 139?

Mr. GARNEAU: No. We have considered about half a dozen cases of G.O. 139 and taken the view that those serving under G.O. 139, having been given the privileges of rates of pay, medals or ribbons of the C.A.S.F.—having been made C.A.S.F. during the war—were entitled to be considered as active service.

The CHAIRMAN: There were men called under G.O. 139 who were again retired after having become members of the C.A.S.F. They were called usually under G.O. 139 and they had actual service despite the fact they were not overseas because of age or special conditions. They performed special duties. They were paid active service rates of pay if only for limited service and again retired. Would this cover them?

Mr. GARNEAU: I am expressing my own opinion. I have not had a case of that type exactly. I believe they would be accepted under section 9 of the Act if they served in World War I, and we would consider their service in World War II as being service qualifying them for the dual service.

Mr. QUELCH: I wonder if it would be possible to cite the details of one case where at the present time a man is receiving war veterans' allowance and after the passing of the amendment he will no longer be eligible?

Mr. WOODS: I think both Mr. Harris and Mr. Quelch have made a very important point and a point which should be examined while this section is being reviewed. Mr. Quelch is certainly correct in stating that prior to World War II any veteran, whether he were conscripted or volunteered, if he were injured in Canada and as a result of that received a pension, no matter how small, was eligible under the War Veterans' Allowance Act; and this section as it stands at the present time would represent a curtailment of that principle.

Mr. QUELCH: I think that is wrong.

Mr. GARNEAU: I beg to disagree slightly with the deputy minister on that point, because the Act up to 1946 did not consider anybody eligible under the Act who was not in the C.E.F., and since 1946 only, the use of the words "His Majesty's Canadian forces" extended the scope of the eligibility by virtue of that pension. The use of the word "pension" made eligible those who may have received a pension for injury or disease incurred while serving in the militia—

Mr. WOODS: But all those who served were made members of the C.E.F. by order in council of June 1916.

Mr. HERRIDGE: They had to go anyway.

Mr. WOODS: Yes, all of them, draftees and volunteers were brought under the C.E.F. by order in council.

Mr. QUELCH: When did the 5 per cent pension come in? When you were administering the Act you considered that any man with a 5 per cent disability pension was eligible under the War Veterans' Allowance Act.

The CHAIRMAN: Provided he was C.E.F.

Mr. WOODS: If he was a member of the C.E.F. They were all made members of the C.E.F. by order in council in June, 1916.

The CHAIRMAN: I think this illustrates amply the necessity for this section to stand. There is a curtailment dating back to 1940 in any case.

Mr. WHITE: I would like to ask the deputy minister a question. I know of one case where a man served with the N.P.A.M. and he received an injury and is now in receipt of a pension. Under this proposed amendment would he at a later date reach the proper age for eligibility for war veterans' allowance?

Mr. WOODS: I do not think he would in the way the section is drafted now.

The CHAIRMAN: If a layman can guess at all, the answer would be no.

Section 4, "Maximum allowance in certain cases." The effect of this is to raise the permissive income in the case of the single veteran and to raise it in the case of the married veteran or widower with children to \$375. Provision is also made to treat a deserted or divorced veteran with a child or children as if he were living with his spouse.

Mr. WHITE: I do not think the explanatory note is quite correct. It says that the income is raised from \$125 to \$250. Under the clause we are amending the veteran is allowed to earn \$125, and under clause (d) of section 13 he has casual earnings of \$125, making \$250; and you will notice under section 9 of this bill that the clause is repealed. Under the old bill the veteran could earn \$250 plus \$25, and under this amendment he is not being allowed to increase his earnings in any way, and I think that is a matter that could stand because as far as I am concerned I cannot see why there should be any restriction on the veteran earning as much as he can earn.

The CHAIRMAN: With regard to that point the sum is the same and the apparent conflict comes back to a matter of wording. Whereas the \$125 was formerly under casual earnings and the other \$125 was called permissive income, we have simply abolished casual earnings and made permissive income twice what it was. Technically, the language is the same.

Mr. BENTLEY: We have not raised anything, we have simply consolidated the two types of income?

The CHAIRMAN: We have raised one and eliminated the other. It is a matter of language.

Mr. BENTLEY: There is no actual change except that the veteran does not have to divide the way he gets his income.

The CHAIRMAN: There is a change in this sense, that whereas a man might formerly have earned \$125 from regular income because of a pension derived from some commercial firm which he may have left, he can have twice that. He may have a job which pays \$20 a month from here on, whereas formerly he was restricted to \$10 and what he could catch, say, 50 cents here and \$2 there. He has this additional security as the result of the wording; there is no change in the figures. The man or woman who benefits under this Act may now be in receipt of a regular income from any source up to \$20 a month. He could make a deal on the 1st of January to work a year for \$20 a month. He formerly he could only contract for half of that and take a chance on getting the other half on casual earnings. The sum total at the end of the year is the same, but the opportunity to do it is a material change and his condition is improved by the change.

Mr. QUELCH: I think the amendment is a good one because although it does not increase the amount a man may have, it may actually mean that a man is allowed \$10 more than he is allowed at the present time. If a man at the present time is earning \$375 a year, this \$125 will be deducted from his war veterans' allowance unless \$125 of that \$375 was casual earnings. To that extent it is a good thing. The point would be that when we get to section 9 (d) we would have to decide whether or not we would want to put that back in the Act rather than delete it. When we say \$375 he may have \$375 casual earnings and put it in.

Mr. GARNEAU: It could be income from any source at all.

Mr. QUELCH: To that extent it is definitely an improvement.

The CHAIRMAN: Under the circumstances is it the desire of the committee that this section should carry?

Mr. HERRIDGE: Is the section related to the discussion on the increase in the allowance?

Mr. WOOD: That is section 12 on page 4—supplementary allowance.

The CHAIRMAN: That is the proper place, I think, for that discussion. This is a procedural change. As Mr. Quelch points out, it broadens the opportunity for the veteran to get the money he is permitted to get from a regular source of income.

Mr. BENTLEY: I understand what you say is correct. I agree that the principle is a good sound principle. A man getting a war veteran's allowance may have an income from some kind of pension which he got from a former employer and he could have \$250. He could draw his war veteran's allowance and do no work at all and get that income, or he could have nothing such as that and yet he could earn \$250. They would both be in the same position, neither of them could have any income from any other source above that, either from work or pension.

The CHAIRMAN: That is true. This section of the Act does not limit his maximum in that respect; it simply means that a man who is in receipt of full benefits, if he were looking after my furnace could get \$20 a month, whereas formerly he would get \$10 a month the year round and divide the other up into \$5 cheques for cutting the lawn and washing the car and that sort of thing. Now he can make a contract with me to fix the furnace all the winter and the garden in the summer, if he wants to do it for \$20, and he knows in the beginning of the year where he stands.

Mr. BENTLEY: If the words were in the explanatory clause it would be better. It does not raise the total amount. It might help one veteran or another, but it certainly does not raise the total amount.

The CHAIRMAN: I might have been made clearer.

Mr. WOODS: There was one class of veteran whom it is of definite assistance to—that is in the case of a pensioner. Previously a man could receive \$30 a month from war service allowance and he could draw \$10 a month from some other pension. If he drew \$20 a month pension then the allowance would be reduced by \$10. You could not call a pension casual earnings by any stretch of imagination. In taking out casual earnings and adding it to permissive income the pensioner has a margin of \$10 more than before.

Mr. HERRIDGE: I agree with the deputy minister as far as I am concerned. This will be of great benefit to a large number of men. I know of a good many men who could not receive the allowance because of the previous wording. I think this will be of considerable assistance.

Mr. QUELCH: I take it that if we want to make this into an increase we can wait until we come to section 9 where we delete this section?

The CHAIRMAN: What happens in section 9 will have a benefit. The committee believes that this is good legislation.

Mr. WHITE: What is there to prevent allowing the veteran to earn \$350 a year? Up to date he has been able to earn \$250 a year. What is the objection to changing that to say that he may earn \$350 a year?

The CHAIRMAN: That, gentlemen, is a question of policy.

Mr. WHITE: After all, we have heard from the bureau about the increased cost of living. The increase that the veteran is getting under this amendment is going to be very small; he is not going to be allowed to earn any more money. We all agree that there has been a large increase in the cost of everything, and if he is allowed to earn an extra amount that will more or less take care of some of these costs. In many cases you are just forcing the veteran to get around these things. One ought to put the whole thing above-board and let him earn whatever he can earn.

The CHAIRMAN: Mr. White, it would be quite in order for the deputy minister to answer your question as to what would be the effect of a raise of \$100, but as a civil servant I do not think he should discuss it from the standpoint of policy. If he wants to tell us what would happen if we did raise it, that would be all right.

Mr. WHITE: Everybody knows that it helps the veteran to fill out these things in all the ways and means that are employed; why not get away from

these things? If the veteran can earn a little extra a month we should encourage him to do so. If the veteran feels that it is going to decrease his allowance he is not going to earn that extra money. I do not think that is good for the veteran.

Mr. WOODS: It does permit the veteran to earn an additional \$10 a month—a single veteran—in the way of regular earnings. It is true that it eliminates the casual earning provision in the Act. There is no provision for casual earnings in the Old Age Pension Act. All of us know that the old age pensioner does have an occasional casual earning of 50 cents or a dollar, which he makes here and there. I doubt very much if any attempt is made to compute that as income. I also doubt, when this section passes, whether casual earnings will be checked any more than they have been checked in the past. So the benefit of this section lies in the fact that it permits regular earnings in the case of a single man of \$20 a month instead of \$10 a month. I have no doubt that there will be the odd casual amount he earns of which no records was kept before or will be kept in the future.

Mr. WHITE: Would you be agreeable to have clause 9 struck out, whereby casual earnings would still remain at \$125 if there were not going to be a check-up? Why not leave it in?

Mr. WOODS: It has been a difficult clause to administer, because a good many veterans have said that something should be classed as casual, and if you leave it in there you will still have that contentious point; and many who are actually earning bona fide amounts for intermittent work have claimed that it should be called casual, whereas actually it is fairly regular earnings, although rather intermittent. I doubt if the veteran will be penalized much by removing the casual provision. The Department of Finance have not found it necessary to insert that provision in the case of old age pensioners. I do not think the veteran will suffer very much by its removal.

The CHAIRMAN: I think the general intent in removing the limitation on casual earnings is to eliminate even the pretense that anybody is able to check it up.

Mr. WHITE: Any old soldier will know how to manage it.

Mr. BENTLEY: I would like to ask a question of the chairman of the War Veterans' Allowance Board. Take a case of this kind, where a veteran becomes old and his financial circumstances become difficult and his health becomes worse and because of that maybe he has a little difficulty to get along with his wife. It becomes difficult for the veteran and his wife to pull together under certain circumstances, and suppose one goes to live with one of their children and the other goes to live with some other relative. For the time being they are not actually living together. Now, is it the practice of the board to treat that man as a single individual simply because, for the time being, he is living away from his wife? If he had the allowance he would likely be in a better frame of mind and might want to live together again.

Mr. GARNEAU: At the present time, Mr. Bentley, the board is compelled to consider as a single man any veteran who is not actually residing with his wife. That comes under section 19 of the present Act: "No allowance in excess of three hundred and sixty-five dollars in any one year shall be paid to a married person without a child or children unless such person resides with his or her spouse."

The difficulty in the example you gave me is to define the intention: how long, and what is behind the separation? We have never taken a serious view of the man who went out and left his wife, as far as the board was concerned, when he went out to earn some money during the summer time, possibly, one hundred miles away from home, even when he was away from home three or four months, if he had some practical reason for his absence; but in the case you mention, whether or not incompatibility or some other factor has arisen, where there has

been a family difference and they cannot agree to live together and the woman goes to live with her daughter and the man decides to fend for himself or continues to live where they were originally, we do not act very hastily on those cases; but after a few months or so, if we find that they have not come together again—we give them some time to cool off, so to speak—we are compelled by the terms of the Act to treat the veteran as a single man and reduce his allowance accordingly.

Mr. BENTLEY: Let me give you a little more graphic example, let us say, from an economic point of view. There is no disagreement between a veteran and his spouse, but they are not well off. They do not own any home; they have no more income to pay rent; so they must leave the premises. He still wants to support her, but they cannot find a place, even under the amount provided in the Act. You will admit that that is a possibility. He still wants to support her. There are children, but they are not well enough off to take care of her, but they could do so with a little assistance. He says, you go and live with Mary and I will live with John. You will get your share and I will get my share; and we shall be able to help along the poor children with whom we are able to live. Is that separation?

Mr. GARNEAU: We have had a few cases like that and we have treated them pretty well along the lines that I have explained, where we gave them a sort of cooling-off period.

Mr. BENTLEY: But there is nothing to cool-off there.

Mr. GARNEAU: No: I am using that term on the basis of my formed statement. What we have done in those cases: we have not acted hastily ever, but we have suggested that means be found for them to keep a home of their own, or arrange that they live temporarily at least with their children. I understand your objection, but we have pressed them to try to get down to an agreement like that.

Now, those cases are referred specially to the district officers for an investigation, not by gestapo methods or anything like that, but to try to help them solve their difficulty. We generally get a fair picture from the investigator, and quite frequently we find that our officials take a personal interest in those cases and try to help them along.

And if we find—and sometimes, you will admit, we get some report which, in spite of our goodwill, forces us to consider them separated—after letting some period of time elapse, we are forced, by the terms of the statute, to consider them as single, especially if the investigator's report says: we gave them a chance, but they cannot make up their minds, etc. Then the board is forced to tell them: we are sorry, we are compelled to reduce the allowance.

But I assure you, gentlemen, we do not jump to conclusions; and in cases where there might be a little difficulty in the background—some cases have happened where it has been very, very difficult for us to render a decision—by allowing a special time or a little spread, we have succeeded in solving it.

The CHAIRMAN: May I interject a question: Do you interpret the words "residing together", as being ordinarily resident together. Is that what you mean?

Mr. GARNEAU: Yes, under the same roof, living as a family unit.

The CHAIRMAN: Then, when a man goes away for three or four months, but his clothes are there, and if he came back, that is where he would come to, that is his ordinary residence?

Mr. GARNEAU: Yes.

Mr. BENTLEY: In the case Mr. Garneau has described, where the district office tries to find a way whereby these people could live together, or even to get them a room, if, for the time being they are separated, but for no other cause than economic cause, and while an effort is going on to try to find a place, do you treat them as a married couple?

Mr. GARNEAU: We generally do treat them as a married couple; but if some cases appear doubtful to us, we may suspend or reduce the allowance to single rates. As soon as we receive a clearer picture of the situation, we re-adjust the allowance back to the amount as from the date from which we had originally reduced it. We increase it back to where it was formerly. The idea, in relation to that action is to prevent the possibility of overpayment. Three months' allowances at married rates may result in an overpayment of \$90. We try to avoid that.

Mr. QUELCH: Under section 6 if a married couple are receiving an allowance of \$730 a year, and at the same time are receiving maximum income of \$375, then they would not be entitled to the benefit of 12(a), the supplementary allowance?

Mr. GARNEAU: No, they would not be, if they were receiving the maximum income permitted under the Act.

Mr. QUELCH: The supplementary allowance is taken from the \$375?

Mr. GARNEAU: Yes, a deduction from the total income permitted to the person.

Mr. QUELCH: So, the total income of the veteran who received it would be \$1,120?

Mr. GARNEAU: Yes.

The CHAIRMAN: Does section 6 carry? That is really section 4 of this bill. Section 6 "veteran defined".

Carried.

Section 5, "maximum allowance in certain cases", does that section carry?

Carried.

Section 6, "veteran defined". Does section 6 stand?

Mr. HARRIS: Yes.

The CHAIRMAN: I think section 6 should stand because I know there will be a discussion on it.

Section 7, "maximum allowance in certain cases".

Does that section carry?

Carried.

Section 8, "supplementary allowance". I think perhaps that section might stand, section 8.

Mr. HERRIDGE: There is no doubt about it, Mr. Chairman.

The CHAIRMAN: I thought so. You have got me confused. I marked it as carried, but I will just change that.

Mr. QUELCH: There again it is a question which I still think should really have been taken up in conjunction with section 6. When we get into an argument on 12 (a) we will still be discussing section 6.

The CHAIRMAN: Any amendments on this will affect these other clauses. It deals with the ceiling on permissive earnings. Now, section 9, "paragraph repealed".

Mr. QUELCH: Let it stand, and that won't be put back in.

The CHAIRMAN: Section 10, "coming into force".

Undoubtedly we will agree on that.

Mr. HARRIS: No, we won't, because if your section 9 does not carry, then section 10 does not carry.

I can see that Mr. Quelch is going to try to defeat section 9, and if we defeat section 9, then you cannot bring section 10 into effect.

The CHAIRMAN: All right, let it stand.

Mr. HARRIS: Where did you get the phrase: "a veteran bereft of his or her spouse"? What you really mean is a veteran widow or widower.

Mr. RAPPELL: It saves a lot of words.

Mr. HARRIS: I have cut down your words from five to two; a veteran widow or widower. Isn't that what you mean?

The CHAIRMAN: Mr. Harris cannot see why we do not call a man who is bereft of his wife a widower or a woman who is bereft of her husband a widow. Mr. Harris is in the unusual position, being a barrister, of suggesting a simplification of language, whereas most lawyers make a living by complicating it.

Mr. HARRIS: Mr. Chairman!

Mr. RAPPELL: I think, in actual practice, you will find this wording is much better; but we can get together and figure that out.

Mr. ISNOR: Now, if we are through with the bill, the chairman of the board outlined the procedure followed in reference to an application by a veteran. Would the same procedure be followed with a man who is steadily employed at the time that he made his application? Would he receive the same consideration as one who is not employed?

I have in mind an application which was made by a veteran at one of the district offices and he was advised that it would be better for him to wait until he was out of employment before making his application, as it would not be favourably received. I would like to have the chairman comment on that.

Mr. GARNEAU: Most likely it all depends on the circumstances. I would say in the case of a man who knows definitely that his employment will cease at the end of a month, there is nothing to prevent him from making his application for the war veterans' allowance then, and having his case processed, and giving a statement of his affairs as to his income and whatever he has set aside, and all the rest that enters into the picture for consideration by the board in the usual way.

But we should, at the time, receive some affirmation that his employment has actually ceased.

If he says to the investigator or to the district office when he goes to make his application: I may be let out at the end of May or the beginning of June—yet his employer may keep him until August or September or something like that. I would say in that case that the district office would say: you had better wait until you get a clearer picture. The board can only turn you down, can only turn down your application as you are provided for at the present time by employment.

Mr. ISNOR: What about the case of his health being a factor?

Mr. GARNEAU: If his health is a factor, when he makes application, if, for instance, he goes to the doctor and the doctor says to him: well, you have a heart condition or something of that kind and you had better quit your job and he decides to leave that job, let us say, in a week, then he is perfectly well entitled to have his application completed and sent to the board. There are no restrictions on that.

But I had in mind the case you referred to: that of a man who had reached the age of 60 or 65, still being employed. There is no reason for applying for a war veterans' allowance now, but I am going to do so. In that case, that man, so long as he is employed in, let us say this life-long job, or in a job which he has been doing for some time and getting his livelihood for that employment, we would naturally suggest that the situation be clear-cut enough for us to deal with it, by having an estimate of the duration of that employment or of some other factors that would permit us to make an award if the same is indicated. I mean, otherwise, we would only be putting the whole machinery of the district office to the expense of an investigation in that case. The medical factor would

not enter into it, because he would be over 60, but the investigation would, and so forth—sending the case to the board, with the board being faced with the necessity of declining the case because he is still employed.

Mr. LENNARD: Does not a man have to be permanently unemployed before he would benefit?

The CHAIRMAN: A veteran over 60.

Mr. GARNEAU: It does not enter into the case.

Mr. LENNARD: Do you not require that unemployment insurance benefits be expended first?

Mr. GARNEAU: We do not actually require it, but we counsel it. Under the present provisions with respect to the limitation of income, if a man applies to us and he is in receipt of unemployment insurance which will expire, let us say, in four or five weeks time, definitely, he may apply for a war veteran's allowance and get it, but the amount that he would be getting from the date of the application concurrently with the other, would be all included in his income, so we generally counsel or advise him—leaving him free to do as he pleases—to expend those benefits, especially if they are around \$60 a month before he applies for veterans' allowance.

If he were getting \$50 or \$60 a month from unemployment insurance and we granted a full amount of veterans' allowance, then there would be a couple of months when he would be living at the rate of \$125, when all of a sudden he would be cut down to \$50 or \$60.

Mr. HERRIDGE: I would like to ask Mr. Garneau two questions in regard to the board's procedure.

I have run into two or three cases where application for the war veterans' allowances was delayed because of the fact that the medical officer, or the medical officer, the local medical officer to whom the board had referred the case, in one case—I found a doctor had made a report, but for several months had failed to send in his report. Does the board find this situation often arises, and is there anything they can do to speed up the local doctors into sending in their reports?

Mr. GARNEAU: We have not had many of such cases, Mr. Herridge, but when they do come to our attention, we certainly act pretty promptly on them. That is really up to the local district offices. That is one of the points we check up on when we visit a district office to check up on the administration.

The district offices keep records. They keep a ledger in which the application is entered and the details of the referral to the doctor, and there is a running check over those cases, practically every week, you might say. If, after, normally, a fortnight they have not had any response to the request for examination in that case, they generally follow it up.

The district chief medical officer has pretty wide powers, administrative powers, in respect to his own bailiwick so to speak, to follow up these cases and check up any details of that kind.

Some of them, naturally, do not come to the attention of the board because they are within the local jurisdiction, but we have found, in practice, there are very few such case, and if you know of any, or of any lack of attention of that kind, we would be glad to hear about it immediately.

Mr. HERRIDGE: That case was not of recent date. Now, my second question is this: If this bill goes through the House and cash earnings are taken out of the bill, as proposed in this amendment, is it the practice of the board to review cases of those men who were denied a war veteran's allowance, because they were pensioners and could not come under the provisions of the Act, will the board review those cases automatically, or will the men have to make new applications?

Mr. GARNEAU: I am afraid they will have to make new applications in such cases. The district offices will be warned and there will be plenty of publicity given to the situation as it emerges from this committee or from parliament.

But we have no record, as such, of those declined for the reason of income, who may now be eligible if that field is broadened, so to speak. If the field of income is broadened it will be up to them to make a new application right away if they wish. We can review the files very promptly.

We have made provision in the office for changes being made, if they are, to pay out almost three-fourths or two-thirds of the allowances, or make adjustments, I should say, under the proposed amendment, within a month or so of the passing of the new legislation. It is possible there may be 7,000 or 8,000 cases where there would be a review on the basis of the new application. There are cases, for instance, where a man is deriving income from a farm, a fair amount of livelihood through his earnings, and where his income may fluctuate from time to time; and we have set the allowance, or given it at what we think is a fair and reasonable rate. If the new amendment gives him a little more leeway, his application will be received.

Those cases, might I say, should not provoke any misgivings. Those cases will not be hard luck cases. They are generally cases of applicants who are, in the estimation of the board, receiving the maximum income permissible at present, or deriving a livelihood from another source.

Then take the case of a single man, for instance, living on his allowance of \$30 a month. A slight delay might occur in receiving those cases, but they will be adjusted under the Act as soon as possible and without any undue hardship.

Mr. HERRIDGE: Thank you.

Mr. WINKLER: I have been given to understand that there is a small number of veterans under the age of 25 who have now come under the war veterans' allowance. I wonder if Mr. Garneau would care to give us an example or illustration of a type of case where this would occur.

Mr. GARNEAU: Any veteran of World War II is now eligible for war veterans' allowance according to the provisions of the Act. Now, it happens that we have, and naturally so, a much younger age group of veterans than in World War I, and, as you say, there are men of 25 years of age up to 35 years of age or so who have been eligible.

I believe the last record we have of that is some 454 cases, but we have cases, for instance, where a man has suffered a serious mental breakdown, and where the department has afforded him every possible treatment, where there have been psychiatrists called in, but finally the veteran's condition has worsened. be it either due to service conditions or not. In general, although not in every case, they would be pensioned; if they happened to be committed to an institution or to the care of their parents. We have had one or two cases where they suffered post war accidents, where a man has been crippled in a motor car accident, and the like, and where age does not enter into the picture.

But if a man is totally disabled or to such an extent as to qualify under the Act,—we have had the case of a man, possibly with very bad fracture, we have had him practically paralyzed after being struck by a motor car,—and one arm seriously injured,—and he has been badly crippled. In such a case there is no hesitancy in paying him his war veteran's allowance if he has no other means of subsistence. That answers about the type of case you asked about.

The CHAIRMAN: That brings us to the conclusion of the clause by clause consideration of the bill.

From the discussion this morning and from the report before us, there are three major questions to be resolved by the committee at an early sitting.

During consideration of the Pensions Bill, the committee consented to sit four times a week in their desire to speed this legislation through. I am glad to say we have succeeded in doing so. I have heard reports from various members of the committee that four meetings a week were conflicting with other committee work which is important to their constituents. Now, if someone will make a motion, I think there will be no objection—since representatives of the steering committee from all groups are here—to a proposal that we sit morning and afternoon on Tuesday hereafter, and on Thursday morning, thus going back to the original three meetings a week. If the committee feels they like to give some attention to other matters because the urgency is a bit off, and if the committee feels we could resolve this in three meetings, if that be the case, and since we have no further evidence to hear, there are no further applications bar one which is a re-hearing which I shall discuss with the steering committee as soon as we rise. Do I have a motion?

Mr. LENNARD: I would so move that this committee sit on Tuesdays in the morning and the afternoon and on Thursday morning.

The CHAIRMAN: Mr. Lennard moves that this committee meet on Tuesday morning and afternoon and on Thursday morning. All those in favour of the motion? Contrary?

Carried.

The committee is now adjourned.

The committee adjourned to meet again on Tuesday, May 18, 1948.

APPENDIX A

Mr. L. MUTCH, M.P.,
Chairman,
Veterans Committee,
Ottawa.

May 11, 1948.

DEAR SIR,—The President, Mrs. M. Wainford requested me to write you, to ask if one or two delegates from the above council would be permitted to appear before the Veterans Committee when they commence proceedings on the War Veterans Allowance. We have read in the Veterans Hansard the proceedings regarding the Pensions, and we find there are adjustments that should be made in the widows allowance.

Thanking you for an immediate reply, I am

Yours sincerely,

L. CAUNT.

P.S.—Could this letter be recorded.

Gov. Doc
Can
Com
V

Canada. Veterans Affairs, Special
Committee on, 1947/48

(SESSION 1947-1948

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 19

TUESDAY, MAY 18, 1948

WITNESSES:

Mr. W. S. Woods, Deputy Minister, and Mr. K. C. Rappel, Departmental Solicitor, Department of Veterans Affairs;

Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board;

Mr. J. W. MacFarlane, Director of Old Age Pensions, Department of National Health and Welfare.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.P.R.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY

1948

MINUTES OF PROCEEDINGS

TUESDAY, May 18, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Bentley, Blanchette, Brooks, Croll, Cruickshank, Dickey, Gauthier (*Portneuf*), Gregg, Harris (*Grey-Bruce*), Herridge, Jutras, Langlois, Lennard, MacNaught, McKay, Moore, Mutch, Quelch, Ross (*Souris*), Viau, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister, and Mr. K. C. Rappell, Departmental Solicitor, Department of Veterans Affairs, Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board.

The Committee resumed consideration of Bill 196, an Act to amend the War Veterans' Allowance Act, 1946.

Messrs. Woods and Garneau were recalled and questioned.

The Bill was amended by the deletion of clause 3.

At 1.00 o'clock p.m., the Committee adjourned until 4.00 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 4.00 o'clock p.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Bentley, Blanchette, Brooks, Croll, Cruickshank, Dickey, Gauthier (*Portneuf*), Harris (*Grey-Bruce*), Herridge, Jutras, Lennard, MacNaught, McKay, Mutch, Quelch, Ross (*Souris*), White (*Hastings-Peterborough*), Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister, and Mr. K. C. Rappell, Departmental Solicitor, Department of Veterans Affairs, Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board; Mr. J. W. MacFarlane, Director Old Age Pensions, Department of National Health and Welfare.

The Chairman read a telegram dated May 13 addressed to the Minister of Veterans Affairs from Mr. William Campbell, President, Disabled Veterans Association of British Columbia, respecting rates of war disability pensions and war veterans allowance.

Consideration of Bill 196 was continued.

Mr. MacFarlane was called, heard, and retired.

During consideration of clause 2, Mr. Garneau withdrew.

Moved by Mr. Harris:

That the Committee should consider the inadequacy of the salaries proposed in clause 2 of the Bill; and that a sub-committee, the members to be named by the Chairman, be appointed to consider clause 2 and make recommendations to the Committee.

Mr. Winkler moved in amendment:

That all the words after the word *that* be struck out and the following substituted therefore: the committee recommend that the salary of the Chairman of the War Veterans' Allowance Board be increased to \$9,000.00 per annum and the salaries of members of the Board to \$7,500.00 per annum.

After discussion, and the question having been put on the said amendment, it was resolved in the affirmative.

The motion, as amended, was adopted.

Clause 2 was adopted.

Moved by Mr. White:

That the Committee recommend that Bill 196, an Act to amend the War Veterans' Allowance Act, be amended by striking out the words *three hundred and sixty-five* and the words *seven hundred and thirty* wherever they appear in clauses 4, 5 and 7 thereof, and substituting therefor the words *six hundred* and the words *ten hundred and twenty*; and that clause 8 be deleted.

After discussion, and the question having been put on the said motion, the Committee divided as follows:

Yeas: Messrs. Bentley, Brooks, Cruickshank, Herridge, Lennard, McKay, Moore, Quelch, Ross (*Souris*), White (*Hastings-Peterborough*)—10.

Nays: Messrs. Baker, Belzile, Blanchette, Croll, Dickey, Gauthier (*Port-neuf*), Harris (*Grey-Bruce*), Jutras, MacNaught, Winkler.—10.

And the voices being equal, the Chairman voted Nay, and declared the motion negatived.

Moved by Mr. McKay:

That, in the opinion of this Committee, the government should give consideration to amending The War Veterans' Allowance Act, 1946, as follows:

PART II

8. (1) by striking out the words "three hundred and sixty-five" and substituting therefore the words "six hundred", and by striking out the words "one hundred and twenty-five" and substituting therefore the words "two hundred and fifty"; (2) by striking out the words "seven hundred and thirty" and substituting therefor the words "one thousand and twenty", and by striking out the words "two hundred and fifty" and substituting therefor the words "three hundred and seventy-five"; (3) by striking out the words "three hundred and sixty-five" and substituting therefor the words "six hundred", by striking out the words "six hundred and forty-eight" and substituting therefor the words "eight hundred and seventy-five" and by striking out the words "seven hundred and thirty" and substituting therefor the words "one thousand and twenty".

The Chairman ruled the motion out of order on the ground that it was in effect a repetition of the motion of Mr. White, which had been resolved.

Moved by Mr. Lennard:

That the Committee recommend that the appropriate section of the Act be amended to allow that the benefits of the War Veterans Allowance Act be

extended to veterans who served with the Imperial forces in an actual theatre of war, as defined by British pension legislation, and who had no pre-war domicile but whose period of continuous residence in Canada has reached 20 years.

Discussion followed.

On motion of Mr. Bentley, the Committee adjourned at 6.00 o'clock p.m. to the call of the Chair.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

May 18, 1948.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Order, gentlemen. We were discussing the bill itself when we rose at our last meeting and we had passed all of the clauses which appeared to be non-contentious. I do not like that word non-contentious. Shall I say they stood over for further discussion? With respect to one of those on which there was some discussion, namely, section 2 and also section 3—we had considerable discussion with respect to section 3—before we start a discussion on that I think, perhaps, the deputy minister would like to make a statement.

Mr. WOODS: Mr. Chairman and gentlemen, since our last meeting the chairman of the board and I have had discussion with the minister and since it would appear that this section as presently framed would give less favourable treatment to an N.P.A.M. man who was injured during his service in Canada than the Act does to a draftee of World War I who was injured, it has been decided with the committee's permission to withdraw this section and rely on the eligibility in sections 4 and 9 of the Act proper.

Mr. BENTLEY: Mr. Chairman, would this be the right section to deal with the matter of theatre of actual war?

The CHAIRMAN: No. Since this section is being dropped from the Act it is not the proper section to deal with anything. We are simply dropping section 3. We had better start at the beginning. Section 2, subsection (7). That one stood. I will indicate, Mr. Bentley, the proper place to deal with these matters. The first which was stood over was one with respect to salaries.

Mr. QUELCH: The change of a theatre of war would require an amendment to section 1 of the Act, would it not? We are not dealing with section 1 at all.

The CHAIRMAN: There would be a definition. We agreed on that, did we not, that we would dispose of the Act and deal with other matters by resolution, as we did before?

Mr. BENTLEY: Will that be the procedure all the way through?

The CHAIRMAN: We agreed at the last meeting we would deal with any of these points which touch on the present bill and at the conclusion of that we would deal with extraneous matters, other amendments to the bill, by resolution. That was agreed.

On section 2: are you ready for a discussion? Section 2 has to do with salaries.

F. J. G. Garneau, Chairman, War Veterans' Allowance Board, recalled:

By Mr. Quelch:

Q. How many members are there on the board?—A. Five.

Q. Including the chairman?—A. Including the chairman, yes, sir.

By Mr. Brooks:

Q. This is in line with the salaries paid to the members of the Pension Commission, is it not?—A. No.

The CHAIRMAN: No, the comparison, gentlemen, in the salary schedule with that of the Pension Commission is that the chairman of the War Veterans' Allowance Board is put on the same level, namely, \$8,000, with the ordinary members of the Pension Commission, and that the other members of the board are at a lower rate. This amendment gives an increase to each of the other members of the board of \$500.

Mr. QUELCH: What will that bring the salary to?

The CHAIRMAN: \$7,000.

Mr. ROSS: I wonder if the deputy minister would tell us why there is a difference in the salaries between the two boards? Is there a great deal of difference in the amount of work they do? I have heard quite a few questions asked with regard to this matter and I would like the deputy minister to give us an explanation which would help us.

The CHAIRMAN: I think, perhaps, the chairman of the board might be in a position to give us a history of the salary position—from his information—he cannot very well argue the point one way or the other.

Mr. ROSS: I would like to have that information because we did have, sir, a discussion on the other bill, which is now passed, about the recent increases in the salaries now paid. I would like to know why there is the differential between salaries paid to the Veterans' Board and this board, because many people do not understand the reason back of the differential.

The WITNESS: If I am permitted, I might quote from a memorandum that I had written a few months ago.

In 1936 the salaries of the chairman and members of the War Veterans' Allowance Board and those of the chairman and commissioners of the Canadian Pension Commission were equalized and brought to \$7,000 and \$6,000 respectively. This parity existed until the spring of 1945 when under the legislation of the War Measures Act the salaries of the chairman and commissioners of the Canadian Pension Commission were increased to \$9,000 and \$7,000 respectively per annum. One year later, by recommendation of a royal commission in 1946, the salary of the chairman of the Canadian Pension Commission was raised to \$10,000 per annum, but the commissioners of the Canadian Pension Commission remained at the previously raised salary of \$7,000.

In 1946 also—the same year—when the War Veterans' Allowance Act was being amended, a recommendation was made to the effect that the salaries of the members of the War Veterans' Allowance Board be also raised from \$6,000 to \$7,000 per annum in line with the increase to the pension commissioners and that the salary of the chairman of the board be increased to \$8,000. The government concurred in the recommendation in the case of the chairman's salary, but consented to increase the salaries of the members of the board to \$6,500 only, instead of \$7,000, on the assumption, which was learned later, that the retirement provisions under the War Veterans' Allowance Act were more generous than under the Pension Act. This was not actually the case.

May I state, sir, that since this departure from what was previously regarded as equal and fair treatment the members of this board have felt, rightly, I believe, somewhat discriminated against in view of the marked increase of the work of the board and the responsibilities which followed the introduction of additional classes of recipients. This requires from each member action and constant exercise of personal judgment in all cases coming before the board, as our awards are not strictly governed by tables, but are subject to many interlocking factors.

May I respectfully suggest—this was a draft memorandum addressed to the minister—may I respectfully suggest that the board, whose work in administrative policy has found much favour among all classes of veterans and widows, be reinstated to the proper standing it occupied in the past in relation to the Canadian Pension Commission and other divisions of the department.

Mr. HARRIS: Will you read again the opening sentence?

The WITNESS: Yes. In 1936 the salaries of the chairman and members of the War Veterans' Allowance Board and those of the chairman and commissioners of the Canadian Pension Commission were equalized and brought to \$7,000 and \$6,000 respectively.

I might explain here that, previous to that, the salary of the chairman of the board and the commissioners was \$6,000 and \$5,000, so they were brought on a par after six years' operation of the board. I presume that the government appreciated the increased responsibility and so forth—this is a personal view.

Mr. HARRIS: The chairman of each board at that time was getting \$7,000 and the members were getting \$6,000?

The WITNESS: Yes.

Mr. HARRIS: One further question: you said that as a result of the Gordon commission the chairman of the Pension Commission was raised to \$9,000 and the members to \$7,000?

The WITNESS: Yes; but not as a result of the Gordon commission. I am speaking of the Canadian Pension Commission, and I stand to be corrected, but I believe that that was done under the War Measures Act in 1945 by special order in council, and the chairman's salary was increased to \$9,000 and the commissioners' salaries were increased to \$7,000. It is only lately that they confirmed the commissioners' salaries at \$7,000 and increased that of the chairman to \$10,000.

By Mr. Winkler:

Q. What about the retirement allowance; is it the same as that of the Pension Commission?—A. Virtually the same. There is hardly any difference in the principle. I have not got the Canadian Pension Commission retirement allowance here, but the retiring provisions for the Board are in section 3 (10) of the Act as it now stands, and as it then stood:

The Governor in Council, upon the retirement of any member of the board who has served upon the board

(a) at least twenty years; or

(b) at least ten years; and

(i) has reached the age of sixty-five years; or

(ii) is physically or mentally incapacitated

and is not entitled to superannuation under the Civil Service Superannuation Act, may grant to him a pension for his life not exceeding one-third of the salary to which he was entitled as such member.

The provisions are substantially the same in both cases.

By Mr. Brooks:

Q. Are all sittings of your board held here in Ottawa?—A. Yes, of the board as a body. I may say that we travel occasionally. I go out myself and I send out some of the commissioners, as I stated in a statement I made the other day. The commissioners go out to visit the district offices with a view to checking on the administration and seeing that our work is up to date in ordinary administration respects, and also to interview and listen to problem cases which may have been declined by the board at Ottawa, and where possibly the personal

appearance of the applicant, coupled with a discussion with our local commission officials, may, so to speak, cause us to review the cases when we get back to Ottawa and make an adjustment or a rejection.

By Mr. Jutras:

Q. What was the actual recommendation of the Gordon commission with respect to salaries?—A. There was no recommendation at all with respect to the commissioners or members of the board, but there was a recommendation that the chairman's salary be increased to \$8,000. It only referred to the chairman of the board and to the chairman of the Pension Commission.

Mr. HARRIS: That means, negatively, that they did not say anything about the commissioners.

The WITNESS: No.

Mr. JUTRAS: Did they refer to the chairman of the War Veterans' Allowance Board or only to the chairman of the Pension Commission?

The WITNESS: The chairmen of both; the commission dealt with both.

Mr. WOODS: There was a slight difference in the terms of appointment. Under the Pension Act it says that the member of the commission shall be appointed for a period of seven years or such less period as the Governor in Council may decide and provides that ad hoc commissioners shall be appointed for one year.

Under the War Veterans' Allowance Act it provides that the chairman and members of the board shall be appointed during pleasure; there is no specific time set.

With respect to retirements, the retirement in the case of the War Veterans' Allowance Board members is at the age of sixty-five or earlier if disabled, and in the case of the Pension Commission at seventy, with the proviso that if they are incapacitated they can be retired earlier.

Mr. QUELCH: When you refer to five members of the board does that include the temporary members?

The WITNESS: We have had as yet no temporary members. It provides for the appointment of temporary members, if required, for a period of one year.

Mr. HARRIS: Perhaps we could leave this matter until 4 o'clock?

Mr. LENNARD: Why?

Mr. HARRIS: Because I want to try to digest the history of the matter. If you have made up your mind on it that is all right with me.

The CHAIRMAN: There have been some representations made, gentlemen. Mr. Harris has suggested that this is the first time we have had an opportunity to get the facts on the record for the consideration of the committee. There might be some merit in letting the section stand until later this day if we get to it.

Now, the next clause which was allowed to stand was section 6 on page 3.

Mr. WRIGHT: With regard to section 6, are we on that now?

The CHAIRMAN: We are now on page 3, section 6, which repeals section 9 and substitutes a new clause.

Mr. WRIGHT: Did not section 4 on page 2 stand?

The CHAIRMAN: Section 4 was carried.

Mr. LENNARD: Mr. Chairman, would this section be the proper place to consider the inclusion of the Imperial veterans, or would you wish that matter to be taken up after the clauses are completed.

The CHAIRMAN: This clause defines veterans.

Mr. LENNARD: What I mean is that anything we do here will be in the form of a recommendation; now, do you want the recommendations to come after the different clauses have been considered or at this time?

The CHAIRMAN: We are in this position, gentlemen, that in order to take advantage of whatever is given here we are in the same position as we were before: we have, after discussion, to carry these clauses and report that we had no option to do otherwise or we recommend.

Mr. LENNARD: The recommendations will come after?

The CHAIRMAN: I think that the neater way to do it—I am in the hands of the committee—is that if someone makes a resolution and it carries it is incorporated in our report; if it does not carry we simply carry the clause as is.

Mr. LENNARD: It makes no difference. I have a resolution to make.

The CHAIRMAN: I think, gentlemen, I had better take the sense of the committee in this matter. With respect to these matters which are clearly not touched in the bill we have agreed to make our recommendations by resolution. For instance, the question we are now dealing with, which is the inclusion of Imperial veterans, is not specifically provided for in this bill and I thought the tidiest way to handle it would be to resolve at the end, within the opinion of the committee, the appropriate section of the Act rather than that this bill should be amended to include certain things, if that is accepted by the committee. Therefore, I think the better way to do it is to carry these sections and then proceed to the resolution stage.

Mr. BROOKS: That is the way we dealt with the Pension Act and I think it was found to be very satisfactory.

The CHAIRMAN: Except that we got off on the wrong foot with the Pension bill and had our general debate on section 13 before we touched it at all.

Mr. BROOKS: We left our resolutions to the end.

Mr. HARRIS: Before we pass this section, would not the same statement of the deputy minister apply in this case as it did to section 3 on page 1?

Mr. WOODS: There is a distinction, Mr. Chairman. The section 3 we asked permission to withdraw dealt with the pensioner; this deals with non-pensioners. Section 3 merely dealt with a man who was disabled during service; this deals with the pensioner.

Mr. WRIGHT: With regard to resolutions which make changes, I have one which I want to make which would change the sense of section 4 on page 2. I do not know whether you want that resolution held until you have dealt with the whole bill, or whether you prefer to have it dealt with at this stage.

The CHAIRMAN: I think we had better stick to the program which we have adopted.

Mr. WRIGHT: You cannot move an amendment if it involves money. All we can do is to say that we carry the bill as the terms of our reference compel us to do, but that we recommend that such and such a section of the Act be changed later. There is nothing to preclude anyone from moving a resolution when we have concluded an examination of this section of the Act.

The CHAIRMAN: That is satisfactory.

Mr. WHITE: Mr. Chairman, are you sure we carried section 4?

The CHAIRMAN: Yes.

Mr. WHITE: Because I remember speaking to section 4 in conjunction with section 12A, which provided for the supplementary increase. I pointed out that the two of them would have to be read and considered more or less together, because the amounts set out in section 4-6 would all have to be changed.

The CHAIRMAN: You are quite right.

Mr. WHITE: What I had in mind was that now that we come to section 4 I was going to submit a recommendation that, in this section wherever the amount of \$365 appears, that it be changed to \$600, and wherever the figure \$750 appears, that it be changed to \$1,020. That would mean that the allowance

would be increased to \$50 a month. Then when we came to section 12A I was going to move that it be struck out. Now, I do not want to be in the position, Mr. Chairman, that if we should carry section 4-6 that we are going to be bound to deal with only section 12A, because I do not think that in section 12A you can carry and put into effect what I have in my recommendation.

The CHAIRMAN: Mr. White, to move an amendment such as you suggest at this stage or any stage is entirely outside the powers of the committee, if it involves substantial expenditures. However, that does not preclude you from moving a resolution saying, notwithstanding anything in the present bill, in the opinion of the committee it should be amended at the proper time.

Mr. WHITE: If we are at section 4, why not deal with it now, because this section has to be taken along with—

The CHAIRMAN: It was the expressed wish of the committee to deal with it in that way. It was the decision of the committee.

Mr. WHITE: I am not moving anything that is not in this Act.

The CHAIRMAN: That is true. It is entirely a matter of procedure. The chair asked what the committee would prefer to do, and the committee agreed to reserve their resolutions. If the committee desires to reverse its decision, I have no objection.

Mr. WHITE: If I may say so, what I understood was that resolutions dealing with matters not covered here would be reserved, but, for instance, I was going to move a recommendation as to the definition of theatre of war. I should like to have a clearer definition of what that means. That is not referred to here and it comes under section 2 of the interpretation.

The CHAIRMAN: In order to report the bill we still have to carry this section. Even if we enter and discuss that now we would still be in exactly the same position.

Mr. HERRIDGE: I want to say that we carried section 6 at the last meeting, and Mr. White gave notice that he wanted to move an amendment along the lines of the member who has just spoken, and he was informed that an opportunity would come later to make recommendations by way of resolutions on any matter. That is the procedure on which the committee agreed, and I think we should follow it.

Mr. WRIGHT: The reason I rose to speak now, is that I was not here last week when the committee was dealing with the bill, and I have an amendment to this clause 4, section 6 along the same lines as suggested by Mr. White, and it includes the deletion of section 12A and substituting the words Mr. White has stated. Let us put the amounts in the sections.

The CHAIRMAN: We have not the power to do that.

Mr. WRIGHT: We have the power to make recommendations.

The CHAIRMAN: Exactly.

Mr. WRIGHT: My recommendation is that in the opinion of this committee the government should give consideration to amending Bill 196 as follows:

Section 4: Delete section 12A.

6. (1) By striking out the words "three hundred and sixty-five" in lines 11 and 12, and substituting the words "six hundred". (2) (a) By striking out the words "seven hundred and thirty" and substituting the words "one thousand and twenty". (b) By striking out the words "seven hundred and fifty" and substituting the words "one thousand and twenty".

Section 7: (2). Be amended in the same terms.

That is a blanket resolution which covers a principle wherever it appears in the bill, and I understood from what Mr. White said that he had a similar desire to do the same thing. That is the reason the committee decided to discuss the bill in a general way first, but I am in the hands of the committee.

Mr. CRUICKSHANK: Why cannot we make a recommendation exactly the same as we had in the case of the 25 and 33 $\frac{1}{3}$ per cent?

The CHAIRMAN: That is the proposal.

Mr. CRUICKSHANK: Then why are we wasting time?

The CHAIRMAN: I would not suggest that the members of the committee are wasting time.

Mr. CRUICKSHANK: In connection with the 25 and 33 $\frac{1}{3}$ per cent, we had experts appear before us and we discussed the matter for a long time. Then we had a resolution and discussed it for fifteen minutes and were asked to vote for it. I do not care who makes the motion, but why cannot we go ahead with it?

Mr. QUELCH: I cannot see that it makes any difference whether we make a recommendation before, during, or afterwards, but I think we agreed to go through the bill and so we might as well do so unless the committee decides to refuse to report the bill in its present form. In relation to the Pensions Bill we made certain recommendations and then when it was reported in the House, the minister got up and made a statement and showed what recommendations had been made. We might as well go through this bill, and then make the recommendations we wish to when we have finished with the bill. So far as recommendations to sections 4 and 6 are concerned, a number of members have already shown that the amount should be increased. However, I do not think it is necessary for members to keep bobbing up and down every now and then. It would seem as though certain members want to get a priority in presenting resolutions when the proper time comes.

The CHAIRMAN: I do not think any member of this committee is trying to do anything for himself. We are all interested in the same objective.

Mr. LENNARD: I merely rose on a point of information. I just wanted to know when I should move a resolution.

The CHAIRMAN: I do not wish to lecture the committee, but this is a matter of procedure. All we are really doing by passing the sections of this bill is saying that we agree. In some instances we say that we agree in principle, but that what is set out does not go far enough. I thought the committee had agreed that it would be best to go through the bill, making criticism. We criticized section 3 the other day and it has since been removed from the bill and does not appear there this morning. We could stand the ones on which we thought we had not gone far enough, and then at the end we could proceed by way of resolution. If the committee is prepared to pass sections 6 and 12, which stood, without further consideration, that is fine. If not, we will then say that we have concluded our discussion and we are going to proceed with resolutions respecting these matters. We either have to reject or pass these because they involve expenditures. Subsequently we may say that we passed these but do not think they go far enough.

Mr. BENTLEY: I am not going to oppose what you have suggested, but the result will be that there is really very little need for any further consideration. We will simply pass every section here without letting anything stand. I think the committee is generally agreed that there is some improvement as set out here over the Act as it now stands. I think the feeling is that we accept these improvements, but we want more done. Now, then, it is suggested that we wait until this bill is finished before any recommendations in the form of resolutions are made. Those resolutions will apply to the Act as it now stands.

The CHAIRMAN: Or the sections of this bill which we do not think go far enough. I think you are right.

Mr. BENTLEY: I think that would be the least confusing way of doing it, but I think we should understand now exactly what procedure is to be followed. I think we should take a vote by show of hands, and if your suggestion, Mr. Chairman, is agreed to, we will then proceed to finish dealing with the bill in general.

The CHAIRMAN: I think it is perfectly in order, for instance, that if anyone wishes to discuss section 12 at this stage, that by all means he do so and get his views before the committee, so that this afternoon or next Tuesday when we sit down to consider somebody's resolution on that point, we shall have the information before us.

Mr. BROOKS: It would seem to me that the best idea would be to pass all the sections that we agree on, and then if there is a contentious section such as section 4, and some member wants to move a resolution in that connection, he will let that stand until we are through with the others.

Mr. BENTLEY: We carried that section the other day.

The CHAIRMAN: That particular section is carried.

Gentlemen, I think we have proceeded far enough in this matter.

Mr. QUELCH: Do we have the definite assurance that after passing this bill it will not be reported to the House until our resolutions are made?

The CHAIRMAN: I cannot report the bill until you approve of the report. Gentlemen, this is the situation: We have already gone through the bill and found one clause which was objectionable. It has been withdrawn. We have found other clauses which the committee desires to recommend should be substantially changed. This morning we have gone back over the clauses which have been allowed to stand, in order to get the kind of information we got on salaries. The discussion is now related to page 3, section 6, which is a new section 9. All we have said is that we will not resolve on it at the moment, but only discuss it.

Mr. BENTLEY: With reference to this particular section I intend to say something when we are making our recommendations, but I should like to say now that I do not think this bill has gone as far as either of the veterans' organizations have recommended. Speaking for the Federation of British-Canadian veterans in Canada, Mr. Stephen Jones asked for the inclusion of British-Canadian veterans in the operation of this Act, provided they had taken up residence here, or were domiciled here, ten years prior to the passing of the Act in 1930. I am certainly going to support his recommendation and I believe that the committee should give very serious consideration to supporting the recommendations that I know will come from somebody else. I am certainly prepared to recommend it myself, and I know others are, and I think we should give serious thought to the recommendations made by the two Canadian veteran bodies.

Mr. LENNARD: I think it will be remembered that a few months ago I made reference to this matter.

The CHAIRMAN: This is the time to discuss it.

Mr. LENNARD: I feel this is a question which should receive very careful and sympathetic consideration by the government, because it is a matter which, in my opinion, we should make some progress with. I consider that in his presentation Mr. Jones was very fair. He merely was asking for entitlement, and that entitlement would not include British-Canadian veterans who served in England only, and that the actual theatre of war so far as that clause was concerned, would be on the continent and not in Great Britain. I think that is a very fair point on their part. A good number of these veterans have been in this country for many years and have raised families and paid their taxes, and their children and grandchildren served in the second world war. They deserve just as much consideration from the people of Canada as other veterans.

and I am of the opinion that the people of Canada feel that they would have no objection to the position of these particular veterans being considered. I most certainly feel myself that they should be given full consideration, and at the proper time I should like to make a recommendation to that effect.

The CHAIRMAN: Gentlemen, this is a clause dealing with the Imperials.

Mr. QUELCH: All I would say is that I agree with the recommendation made by Mr. Jones. As former speakers have pointed out, it is for the Imperial soldiers.

Mr. CRUICKSHANK: And is not to include the Canadians who served in England?

The CHAIRMAN: That is a separate matter entirely.

Mr. BROOKS: I should like to ask Colonel Garneau if he knows what provision was made in Australia, New Zealand and South Africa with reference to Imperials? They, of course, would be in the very same position as we are in Canada. They must have had many thousands of Imperial soldiers who took up domicile in their countries.

The WITNESS: Off-hand I could not answer that question, but I could find out the information and give it at the next meeting.

Mr. BROOKS: It is not that we need be guided by it.

Mr. WOODS: Mr. Chairman, I am afraid that I cannot reply to that question either. In the past both Australia and New Zealand have followed the example set by Canadians in similar legislation.

Mr. LENNARD: Have you got all their legislation immediately available?

Mr. WOODS: At the time we compiled the Veterans Charter we had the information on all countries.

Mr. LENNARD: That was two years ago?

Mr. WOODS: Yes.

Mr. ROSS: I should like to say a word in support of Mr. Jones' presentation to this committee. I think he was very modest in his presentation. I know of many cases in my section of the country where these Imperials have settled on farms and have gone into businesses and have lived there for twenty years. Now they feel they are deprived of something that they are entitled to. In most cases their boys were the first to enlist in the last world war. I think they are entitled to very serious consideration. I do not wish to deal with isolated cases, but I know of a particular man who served in many theatres of war throughout his life in the empire. He has been farming in my community for twenty years. He is an Imperial veteran and served in the Veterans' Guard in some form of duty in the last war. What category does he find himself in now?

Mr. WOODS: Unless he was domiciled in Canada prior to his Imperial service in world war I, he is not eligible.

Mr. ROSS: He is just an example of many others. He has been a good citizen in this country, and I might say that the offspring of these Imperial veterans were among the first citizens to come to our aid when we were up against things at the beginning of the last war. I want to repeat that Mr. Jones was very modest in his presentation the other day. He was not suggesting what the department might do in other matters, in respect to theatres of war, and so on, and I do hope that the committee will give very serious consideration to his request.

Mr. HERRIDGE: I want to express my support for the proposals put forward by Mr. Jones on behalf of the Federation of British-Canadian Veterans of Canada. I want to say that later on I found out I quite misheard some of his remarks the other day, and misunderstood exactly what he was explaining.

The CHAIRMAN: Then, I am forgiven, am I?

Mr. HERRIDGE: Yes, I forgive the chairman and the other members of the committee. I am a very forgiving person. I know that there are a number of these men in my own community, and this matter is discussed, not only by veterans' organizations and by the men themselves but by a great deal of the population. There is much popular support for these men being treated the same as other Canadian veterans. Personally I think that if the government saw fit to accept the recommendation to bring these men under the terms of the War Veterans' Allowance Act, it would be largely welcomed by the people of Canada.

Mr. HARRIS: I do not want to interrupt the discussion on the matter of Imperial veterans by referring back to the change suggested—

The CHAIRMAN: Before this discussion drops, I wish to say that at the last meeting Mr. Bentley asked the chairman of the committee to give some idea of what was involved in the Legion's recommendation. The chairman of the Board has that answer and I would ask him to read it into the record in order to keep this discussion connected.

The WITNESS: Mr. Chairman, Mr. Bentley, I believe, asked to know the cost of the proposed amendments as recommended by the Canadian Legion of the British Empire Service League in its brief, calculated on the basis of increased basic rates of allowance recommended by the Legion, that is, \$600 per annum to a single recipient, and \$1,020 per annum to a married recipient. The Board's present annual liability at the basic rate actually in force is \$15,113,398. The following would be the additional cost of the proposed amendments of the Canadian Legion calculated at the new rates which they recommend:—

Increase over the present liability at the new rates.....	\$ 7,297,619
Service in England only.....	6,177,325
Ex-Imperials	3,206,396

Total increase over present liability.....	\$16,681,339
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A total liability of	\$31,794,737
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The CHAIRMAN: That is a little more than double.

Mr. WRIGHT: With regard to those figures, how did you arrive at \$6,177,325 for Canadians who served in England only? Did you include all those who served in England?

The WITNESS: No. The percentage of those was estimated at some 8,200 odd, which figure I believe I gave.

The CHAIRMAN: Fifteen per cent of the total.

The WITNESS: Yes, fifteen per cent of the total and that fifteen per cent was used as a yardstick because it is the average proportion now in payment to veterans.

Mr. BENTLEY: In that connection did you give consideration to what might be a possibility? Assuming that a great many of those who only served in Britain during World War I were in low health categories, is there likely to be a higher percentage of them coming under the War Veterans' Allowance Act who did not suffer any war disability?

The WITNESS: I did not give any direct thought to that, but I should be inclined to think there might be a slightly larger incidence of this because they were held in England possibly due to a medical category which would keep them from being sent to the continent.

The CHAIRMAN: Is it not true that forty per cent were draftees who had been called up and who had only gotten as far as England when the war ended?

The WITNESS: I believe that is approximately the number.

The CHAIRMAN: That would probably offset the others then?

The WITNESS: Yes.

Mr. LENNARD: You referred to an amount of \$3,000,000 that would be required to take care of the Imperial veterans if they were included. What did you base your estimate on? Was that amount based on the estimated number of Imperial veterans, or just those who served on the continent? In other words, in the presentation of the Federation of British-Canadian Veterans of Canada, they did not ask that all be included, merely those who had served in the actual theatre of war as it was considered, in Great Britain.

The WITNESS: As far as could be determined, Mr. Lennard, that was the number that was estimated to have served in the theatre of actual war. Those figures were based on a fifteen per cent yardstick as I mentioned before, and applied to approximately 4,000 ex-Imperials.

Mr. BENTLEY: That is approximately the figure Mr. Jones gave.

The WITNESS: There is the potential of the widows, of course.

Mr. BROOKS: With respect to the pension that the veterans receive from the Imperial government, that would be reduced from the amount of the war veterans' allowance which we might have to pay them if they were brought under this Act. Is that right?

The WITNESS: Yes. If they were pensioned in such an amount to compel us to pay a lesser amount in order to remain under the ceiling, such as might be established, that would be so.

Mr. BROOKS: That was taken into consideration, was it?

The WITNESS: Not specifically as such, Mr. Brooks. We could not exactly get any figures on this basis so I have used the broad fifteen per cent; the average payments to the Canadian veterans now—on an average both to married and single veterans—is \$515 per annum. That is as close as we could get to it.

Mr. CRUICKSHANK: Is it not correct that in connection with the fifteen per cent yardstick you used—I believe there was a figure of \$6,000,000?

The CHAIRMAN: It was \$3,000,000 dealing with Imperial veterans.

Mr. CRUICKSHANK: Well, what I am getting at is whether it is not true that a large percentage of those people are now getting assistance from municipal and provincial authorities? It is my opinion that a very large percentage of them are getting assistance, and if a change were made the only difference would be that the \$3,000,000 would be transferred to the federal treasury where it belongs.

Mr. McKAY: I think Mr. Cruickshank is substantially correct. At the moment there is a good number of these veterans who are the responsibility of the municipalities or provinces. They served this country and it just so happens that they do not have a visible disability, and because of that fact they are now left out in the cold. In some cases they are on municipal or provincial relief. It seems to me that there is no doubt that this is distinctly a veterans' responsibility. They served this country and they take on responsibility as a nation to look after our disabled veterans, and therefore we should certainly take the responsibility of looking after these people. I think this ought to be the beginning of some social security measure of some order. If we can provide for them in no other way, then we should bring them under this Act. My contention definitely is that it is a federal responsibility so far as these war veterans are concerned, whether they are Imperials or Canadians.

Mr. Ross: It is a very good point that Mr. Cruickshank just made. I know from experience that it goes against the grain of these people when they have to apply for relief. This is a federal responsibility, and I do not think anybody will argue against that point. These people should not have to apply

for a form of assistance known as municipal relief. It hurts their pride terribly. The municipalities have no uniform system of relief to assist these people. As I say, I think Mr. Cruickshank has made a very pertinent point in relation to these particular veterans.

Mr. Woods: I wonder if I might be permitted to read to the committee the observation of the dominion president of the Legion when this Act was being enacted before a parliamentary committee. The Act was based, as members know, on the expected shortening of the expectancy of life or working ability because of the experience veterans had had in the front line. Dr. Gershaw, in the parliamentary committee, said to the dominion president of the Legion as follows:

Mr. GERSHAW: Do you think men who served in Canada and who do not get a pension and are still here are deserving of some special consideration?

Colonel LAFLECHE: I have no intention of discrediting any man who served only in Canada, of course. Many of them have great merit, I know, but we really ask for the benefits of bills of this kind because of our observation of the fact that many men had served their country in a sphere of actual war and had done actually good war service for the country . . .

He went on to say they did not experience the strain of being under fire and so forth with the men who served in the battle areas; and he said:

We do not, for the same reason, ask it for the man who served in Canada or in England only. I quite admit that in some cases—I will not call them isolated cases—that man did undergo very severe strain often in training in Canada or in England, but there was not the mental strain of living under rifle and cannon gun fire.

Nevertheless, he drew attention to the principle upon which this Act was based. I am not saying this to introduce any argument against any change, but it is my duty to draw the committee's attention to the principle upon which the Act is based. Now, if the committee decides to recommend a departure from that principle that, of course, is for them to decide.

Mr. CRUICKSHANK: What date is that?

Mr. Woods: This is the evidence of 1930.

Mr. CRUICKSHANK: It is 1948 now. There is a difference.

Mr. Ross: That would not refer to the Imperial veterans?

Mr. Woods: No, I am referring to the man who served in Canada and England only, in the Canadian forces. The president of the Legion said they were not asking for them because it was a departure from the principle on which the bill was based.

Mr. BENTLEY: There is a good deal of common sense in the remarks of the man just quoted by the deputy minister; but there have been some very definite social changes since then and changes in social thinking. While I agree that the fellow who served in Britain possibly did not have the same hazards, again I want to remind the committee that many of them were already, to some extent, disabled because their category indicated they were not fit for front line service. Therefore, they were serving the country in the best way their physical condition permitted them to do, and it is quite within the range of possibility that the man in category C-1 and C-2—I think they went down to D—I have forgotten all the categories there were in World War I—it is quite within the range of possibility that fellows within these categories could have suffered from the rigours of camp life. There were other things that affected people, and they may have deteriorated to some extent just as did the fellow who was thoroughly fit in the mud of the trenches. There is another point; I think this is not going to be taken lightly—

The CHAIRMAN: I think we should stick to the Imperial veterans; I think we are mixing up two discussions.

Mr. BENTLEY: The quotation of General LaFleche brought this matter up, but if I am off the subject I shall not pursue it.

The CHAIRMAN: This discussion has begun now, but I am not going to entertain a general discussion.

Mr. BENTLEY: I will desist, if you prefer me to do so.

The CHAIRMAN: I think it will be tidier to look into this matter later on.

Mr. QUELCH: The matter of Imperial veterans has come before the committee before on various occasions. I believe generally we have dropped it because of the statement by the minister that there has been an attempt made between the Canadian government and the British government to make some allowance on a reciprocal basis so that Canadians in Britain might receive an allowance and Imperials in Canada might receive an allowance. Apparently, those attempts have broken down. I do not think anyone would say at the present time that there is very much hope that this will be done on a reciprocal basis now.

When Mr. Parker—I think it was—appeared before the committee in 1946 representing the Department of Veterans Affairs in England, he was not very hopeful about that. I do recall that he expressed the view that there was quite a difference in the matter of social services as regards England and Canada, and he certainly inferred that perhaps a greater scale of social services was allowed in England than in Canada and that therefore Canadians in England were getting certain benefits that Imperials in Canada were not getting at that time.

The CHAIRMAN: That gap is being rapidly closed.

Mr. QUELCH: Yes, it is being closed; but I believe that the new legislation introduced in England is widening it again, because they have introduced a very comprehensive scale of state medicine and health insurance which goes far beyond the measure suggested in the House by the Prime Minister the other day. For that reason if we are not going ahead on a reciprocal basis then I think we can very well adopt the recommendation of Mr. Stephen Jones.

Mr. BROOKS: With reference to Mr. Quelch's remarks on the reciprocal basis, I do not think that is a very sound basis on which to base this legislation. Canada is a young country and a new country. We encourage thousands of people to come here to settle and to build up our country. England is an old country, and for one Canadian who will go to England there are, I suppose, a thousand British people who will come to Canada. Therefore, you cannot build this up on that basis—on a reciprocal basis. That is why I asked the deputy minister if he could tell us what was done in South Africa and Australia and New Zealand which are countries with which Canada can be compared. We cannot say that England and Canada are on a reciprocal basis; I do not think there is any comparison at all.

Mr. WRIGHT: With regard to the reciprocal basis, as Mr. Brooks has stated, I do not think conditions are similar. For instance, in England they are pursuing an entirely different policy from what we are. They are spending billions of money in subsidizing food, which means that people in the low income brackets, such as these men, are getting cheaper food. I think we have to deal with these men on our own basis and under our own form of legislation which we are building up in this country. I do not believe we gain much by comparing what is being done in England or in some other country with what is being done in Canada. We are building up under this War Veterans' Allowance Act and under veterans' legislation protection for our men who served this country in two wars, and we have to build up on our own basis; I think the committee should stay with that idea rather than refer to what is being done here, there or the other place.

Mr. HARRIS: You mean that we are much better off individually in this country and do not need as much state socialism?

Mr. WRIGHT: No, I do not agree with the gentleman who has spoken at all. As a matter of fact, we are doing things in a different way; that is all. I do not agree that we can do things in Canada the same as they do them in England or in New Zealand or in South Africa; we are living under a different economy here. For goodness sakes let us do the things we are asking for in this committee in our own way. These Imperials came over from Great Britain and entered our Canadian economy.

Mr. Ross: And became Canadian citizens.

Mr. WRIGHT: They became Canadian citizens twenty-five years ago. Let us deal with the matter on that basis. They are Canadian citizens living under Canadian laws and we should give them a decent kind of living in this country.

The CHAIRMAN: I do not think anyone would have any difficulty with this question—some people obviously did have—if all we had to do was to look backwards. Unfortunately, there is some responsibility on parliamentarians not only to look backward but to look forward.

Now, I wonder if anyone is in a position to answer Mr. Jutras' question?

Mr. Woods: Mr. Jutras asked about the possibility of reciprocal arrangement between Canada and Great Britain in the matter of war veterans' allowances. I went over to England in 1932, two years after this Act was enacted, on a vacation, but I did do a little work when I was over there. I called on the British Minister of Pensions and I suggested—I asked him if there would be any possibility of reciprocal arrangement in the matter of war veterans' allowances. He said, "Well, I would like to ask you what support you have for the assumption that the veteran who saw front line service has a shortened life expectancy by ten years, compared with the civilian; what scientific support have you for that belief?" I said, "We have no scientific support, but most of us veterans meet many of the old chaps at veterans' clubs and we find that they are washed out and we believe there is justification for legislation of this kind." He said, "When we got a copy of your Veterans' Allowance Act we referred the matter to five leading physicians in Great Britain—and these were really top-notch men—and asked them for their opinion and they said: 'We are unable to get any support for your thesis that a man who saw front line service and was not disabled has a shortened life expectancy by ten years.'" So, he said, "There is no likelihood of making the Veterans' Allowance Act reciprocal."

Mr. Brooks is quite right when he says there is no chance of any reciprocal arrangement on that basis.

Mr. BAKER: I think the question we will have to decide is where we stop dealing with the war veterans' allowance and come into social security; these men have to be taken care of. It is a question of whether they are taken care of here, and that is the one difficult question we have to decide. I think Mr. Brooks has made an excellent suggestion with regard to a comparison between Canada and New Zealand and Australia and like countries, and I would be interested to hear these comparisons.

The CHAIRMAN: Unless there is some further discussion I think that question should stand over. The discussion has been helpful, and we will now be in a better position to make up our minds between now and the time when we deal with this matter again.

Mr. LENNARD: I agree absolutely with the remarks of Mr. Cruickshank. I feel that these men did a job for us in the first great war and they should not be kicked around from pillar to post at some local relief centre. They should

receive a pension and not relief; not become paupers and be looked down on by their neighbours. Veterans' allowance pensions are not looked at in that light. I think Mr. Cruickshank is absolutely right.

The CHAIRMAN: I think we will all realize, following discussion this morning, that the main question before this committee is not whether a certain number of Imperial veterans cost a certain amount of money or a certain number of Canadians did service in Canada or in England only are going to get the benefits under a specific Act; the question we will have to decide for a long time to come is whether or not this committee is going to recommend a change in the principle which prevails in war veterans' allowances. We cannot maintain the principle and grant some of these requests; on the other hand we cannot grant the request and maintain the principle. So the decision most of us will have to make, gentlemen, and without any assistance from me, is whether or not we are going at this stage to consider the principle of entitlement in its entirety.

Now, that brings us to page 4: consideration of supplementary allowance. Here again I suggest that we follow the practice of giving expressions of opinion and resolve later what we propose to do about them.

Mr. HARRIS: That does not finish section 6. I have been waiting until this Imperial veterans' discussion was over. I wonder if the chairman would make it clear what person is not going to get the benefit of the War Veterans' Allowance Act who has heretofore been getting it, in view of the amendment to section 9.

The CHAIRMAN: There appears to Mr. Harris to be some exclusion, and he wants to know who is excluded.

The WITNESS: I believe Mr. Harris asked that question in connection with section 3. The only ones now who would not be eligible under this Act are those who were not obligated to serve without territorial limitation, and members of the reserve forces.

The CHAIRMAN: The same people?

The WITNESS: The same people; and there is no provision for pension in this section.

Mr. HARRIS: Nor was there in the other.

The WITNESS: The other one was allowed to stand as it was before. The member of the forces who receives pension for a disability incurred on or during his service would now be eligible, and we have removed the apparent curtailment that that section was contemplating, so to speak. On the other section it would be those only as I stated a moment ago, who were enlisted or obligated to serve without territorial limitations, any member of the reserve forces, who are not in now under the present section would be excluded.

The CHAIRMAN: The pensioner was excluded in section 3?

The WITNESS: It never did apply in section 9 of the present Act. I do not know whether I should pursue this at this stage. There has been added a restrictive clause: "who has been honourably discharged or has been permitted honourably to resign or retire from such forces."

I might explain why that was introduced. We have had a few—at least one—a few cases, but I know of one specifically by name, which I will withhold here. This man was eligible under this section by virtue of his having served in both wars—which is the purpose of this section. In both wars that veteran may be said to serve on active service in the sense that in the first war he was in the C.E.F. and in the second war he served with the Veterans' Guard of Canada. His first war service amounted to a little less than six months. He enlisted, I believe, in April, 1916, and he disappeared from circulation in August, 1916, and was struck off the strength as a deserter, and that is the end of the record as far as his

service is concerned. He was in the C.E.F. and duly attested, but his service terminated in the blue, so to speak, by desertion. He was struck off the strength. No doubt he received amnesty with the others in 1921. He enlisted in World War II with the Veterans' Guard of Canada and his service there was for about nine or ten months' duration and he was then discharged as medically unfit. There is nothing wrong with that. But by virtue of his first service, which terminated by desertion, he was then, as the Act then stood, or as it now stands, entitled to consideration under the War Veterans' Allowance Act. I took the matter up for an opinion from the Department of Justice and they said that we had no choice but to admit him. We as members of the board and veterans ourselves, felt it hardly fair to veterans with good service in both wars, even though they served in Canada only, that that man could be put on the same footing as the man who had given good service. So that was the purpose of that amendment.

Mr. QUELCH: Does not entitlement require honourable discharge?

The WITNESS: Not specifically in our Act. There is nothing said about it. That point was taken up with the Department of Justice, and that was the answer.

Mr. HARRIS: Do I take it that prior to the passing of this section, prior to this war, that man would not have been entitled to the war veterans' allowance?

The WITNESS: Prior to this war?

Mr. HARRIS: Yes.

The WITNESS: No, he would not have been; because taking his war years—you are thinking of his service in World War I?—that service was in Canada only and he was not a pensioner.

Mr. HARRIS: It was the passing of the dual section that brought him in by reason of his service in World War II?

The WITNESS: Yes.

Mr. HARRIS: I have one comment to make on the question I raised the other day with regard to the phraseology, "was enlisted or obligated to serve"; that does not apply here because persons who qualify under this section are persons who volunteered for World War II?

The WITNESS: Yes.

Mr. HARRIS: None of them were conscripted in World War II, were they?

Mr. BENTLEY: I wonder if Mr. Harris would tell us what he is saying? We cannot hear him.

The CHAIRMAN: Mr. Harris, Mr. Bentley could not hear your question. Mr. Harris' question was whether or not any of those enlisted in the second war were draftees or whether or not they were all volunteers and, therefore, whether this clause "was obliged to serve" in this section had lost its meaning.

Mr. QUELCH: They could not have been draftees.

The CHAIRMAN: No. Consequently, Mr. Harris' statement "was obligated to serve" has no meaning. It was put in with the other matter. They had to be volunteers.

The WITNESS: That is correct.

The CHAIRMAN: Does that conclude section 9? I think we might turn to a discussion on clause 8 on page 4.

Mr. QUELCH: Do these words need to be left in there if they are not necessary?

The CHAIRMAN: To which words do you refer?

Mr. QUELCH: "Obligated to serve".

Mr. WOODS: Mr. Chairman, as I understand it, "obligated to serve" includes approximately 16,000 draftees.

Mr. HARRIS: In the first war?

Mr. WOODS: No, in World War II.

Mr. QUELCH: A veteran of the first war would not be a draftee in the second. A dual veteran would not be a draftee.

The CHAIRMAN: A dual veteran would be a little old to be a draftee.

Mr. QUELCH: Would members of the Veterans Guard, come under "obligated to serve"?

The CHAIRMAN: By volunteering only; if they voluntarily enlisted to serve where they were sent.

Mr. QUELCH: That term looks superfluous.

Mr. HARRIS: I asked the deputy minister quite a while ago about the distinction between this section and section 3 of the bill, which we are dropping, and the answer was that section 3 referred to a man with a pension. Now, I do not think that was quite correct. I am not trying to correct the deputy minister, but I want to make it clear that the old section 4, subsection 3, remains precisely as it is now with the result of our dropping section 3, and one need not necessarily be a pensioner under that section.

Mr. WOODS: The pensioners are included.

Mr. HARRIS: Oh, yes, I agree.

The WITNESS: I think I might add something in reference to the discussion on "obligated to serve" under section 9. This does not have any immediate or apparent effect on the present veterans of the Veterans Guard of Canada, but in the future, say, in fifteen or twenty years from now, as the men of world war II grow older and apply for the war veterans' allowance, this might be useful in order to define their theatre of war or nature of service.

Mr. HARRIS: That would still be done under section 4.

The WITNESS: At the present time, but under section 9 come those who might have served as young men in World War I and who saw some service in the second world war as well. Some men at the age forty or forty-five had been taken on active service, but did not leave Canada and were employed in offices and orderly rooms in this country.

The CHAIRMAN: We now come to page 4, section 12A, the new section dealing with supplementary allowances. I understand there is to be some discussion on this.

Mr. WHITE: Mr. Chairman, I do not think there is much use saying anything about resolutions, but there are two or three things in this section that I do not like. The first one is the phrase, "with the approval of the Board." I think any increase that is given is a matter of right and should not be subject to the discussion or approval of any board or any member of a commission. The second one is that the allowance will not benefit the man who is now receiving the full allowance. It will not benefit a man receiving the additional allowance if he is earning the full amount of \$250 a year, and I think we are doing a great hardship to many of the boys there. The third is that the amount of the increase is very insufficient.

Mr. WOODS: With respect to the term, "with the approval of the Board" I would say that all allowances under the War Veterans' Allowance Act are paid with the approval of the Board; that is, all allowances under the original Act.

Mr. WHITE: I would point out to the deputy minister that that is exactly what I had in mind when I spoke before about section 4, clause 6. That is, that the amendments there would clearly set out that the maximum allowance

payable would be so much, and that we should do away with this objectionable section 12A and get away from all these things concerning the phrase "with the approval of the Board."

The CHAIRMAN: All the deputy minister has endeavoured to point out is that in the Act itself, no grant may be made without the approval of the Board.

Mr. QUELCH: My objection is that, first of all, if the increase in the war veterans' allowance is going to be done by a supplementary allowance, then the amount suggested here is too low. Secondly, it requires a special means test, and that should not be necessary. One means test should be enough. Thirdly, I think this should be taken care of under section 4 of the Act. It should be made part of the allowance.

Mr. HERRIDGE: I support the remarks of the previous speakers, and in so far as this extra means test is concerned in regard to the supplementary allowance, I think in the first place it is going to make a tremendous amount of work for the administration. If a veteran is entitled to a war veteran's allowance, surely he is entitled to the extra allowance. I do not see how this can be satisfactorily administered. I am sure that if in a small village two war veterans are receiving the veterans' allowance and one gets the increase and the other does not, there will be a great deal of dissatisfaction. As it has been said, I think the amount is too low.

Mr. BENTLEY: I have a very strong objection to the use of the word "supplementary." When this was introduced in the House of Commons we were told by the Minister—I do not remember his exact words—that this was going to make an increase in the war veterans' allowance. In my opinion the very word "supplementary" indicates that there is possibly going to be a "meaner" test than the original means test, just to establish whether a man is going to get the supplementary allowance or not. Certainly all the tables we had during our discussion on the Pension Bill indicated an increase in the cost of living far over and above what the amount of the supplementary allowance here would provide. A supplementary allowance means that you are going to supplement a current income, and the implication of the word "supplementary" is that sometime in the future it can be withdrawn.

Mr. CRICKSHANK: I agree with Mr. Herridge in the Legion's behalf. Either this means something or it does not so why we have this supplementary business I cannot understand at all. I agree with Mr. Herridge that in some villages it will cause dissatisfaction, and I do not think it is practical to have a further means test. This would be talked about all over Canada and I think we could obviate all this discussion if we recommended to the government that we be consistent. We made an increase of twenty-five per cent in another matter and thereby acknowledged that the basic rate was too low. We should be consistent and acknowledge that the war veterans' allowance is too low.

The CHAIRMAN: The proposal in the legislation before us is to increase the the veterans' allowance to thirty-three and one-third per cent.

Mr. CRICKSHANK: Yes, but it is a supplementary allowance. Why not put it in as a basic rate?

Mr. LENNARD: It is subject, Mr. Chairman, to a further means test. I claim that any man who is entitled to and who is now receiving a war veterans' allowance should get this without any further wrangling.

The CHAIRMAN: Even though he has already passed the permissive income?

Mr. LENNARD: It is a cost of living bonus, as I understand it.

The CHAIRMAN: You are suggesting that it should be payable to a man with an additional income which brings him up to the permissive income?

Mr. LENNARD: Do not other sources take care of that? I would suggest that the man who gets the basic allowance of \$30 should get \$40 without a further means test. He should get that automatically.

The CHAIRMAN: Even though that would put him up to the permissive limit?

Mr. LENNARD: Would it?

The CHAIRMAN: It would in some cases.

Mr. LENNARD: I would suggest that that be done without a further means test.

The CHAIRMAN: That is the means test, the permissive limit.

The WITNESS: I should like to draw the attention of the committee to section 12A (2). It states as follows:

The maximum supplementary allowance of a recipient shall not exceed the amount by which the amount of income specified for his case by sections 6, 8, or 11 exceeds his income.

This phraseology might be a little bit involved, but, as I interpret it, it simply means that the Board may have the power to grant the supplementary allowance to a recipient who is not quite at the ceiling. It may not be the full \$10 a month, but it would at least bring him up to the new permissive ceiling within the amount of the allowance.

The CHAIRMAN: How many would automatically get it?

The WITNESS: The estimate is that in the case of widows, ninety to ninety-two per cent would get it, and sixty to sixty-five per cent of the veterans would get it as such.

Mr. WOODS: Without any investigation.

The WITNESS: Yes. We had tables prepared to see what would be involved on the basis of the present, and proposed legislation as it now stands, and we could pay automatically, practically the entire amount to widows and all but 8,000 of the balance without investigation. Our records show that roughly 8,000 would be investigated as they are enjoying some other income from outside sources, which bring them close to the maximum ceiling presently permitted.

Under sections 6, 8 and 11, which are referred to in the section which I just read, the merging of the casual earnings with the other income previously permitted, has raised the ceiling from \$81.66 per month to \$92 per month in the case of married recipients, and from \$41.83 to \$51.25 in the case of single recipients.

Mr. WHITE: How do you mean it has been raised?

The WITNESS: Since there is no qualifying clause or factor to the casual earnings, which had to be defined as such before, it would permit the Board to consider that as the new ceiling of income, by permitting the single veteran, who was formerly permitted to earn \$125 as an increase and \$125 casual earnings, but which had to be qualified as such, to consider \$250 as the overall income permitted, no matter from what source and without any qualifying character. Before that, he could get that amount, but he had to get the extra amount by specific casual earnings. Now he does not require to get casual earnings. It is simply that that new income, being added to the amount previously permitted, allows the Board a little more leeway in granting the supplementary allowance, by substituting clause 2 of this proposed amendment.

Mr. WHITE: In the forms that you will send out, do you figure that casual earnings will have to be shown?

The CHAIRMAN: No.

The WITNESS: No. I shall try to give you an example: Let us take a married man who has a maximum allowance of \$60.83 a month. He was getting a pension of \$20 a month. Under the Act as it now stands, that brought him to the ceiling permitted, say, roughly \$80 a month. Anything that he could add to that income had to be shown as casual earnings, because he had reached the limit of any income permitted, and that \$125 casual earnings had to be established to the satisfaction of the Board, definitely as such before he could, by his own efforts, increase his income to \$90 in round figures. Under the present proposed amendments that means that that man's income of \$20 could be supplemented by an allowance under this section because he would still be under the maximum permitted without any restrictive or qualifying factor. From \$80 he could have \$90 or his pension could be increased to \$30, and there would be no need of bringing in casual earnings.

The CHAIRMAN: Colonel Garneau, is not the main purpose lying back of this substitution in the matter of casual earnings this: here is a man who is a pensioner. He was getting the maximum amount of regular income through pension. The other day, the government on the recommendation of this committee, raised that amount twenty-five per cent. Unless we do what is proposed in the War Veterans' Allowance Bill, that twenty-five per cent in his pension would automatically be deducted from his war veteran's allowance, and his position would be no different from what it was. In other words, this is an attempt to see that the veteran will not lose the advantage in either case.

The WITNESS: Exactly. When it is a matter of income from any other source, it has the effect of raising the ceiling by \$10.

Mr. WHITE: Yes, but it all goes back to the point that whatever the amount of income of casual earnings is, it cannot exceed \$250.

Mr. WRIGHT: I do not think there is any doubt that the amendment proposed in the bill, including any casual earnings, is an improvement. It will allow some who at the present time are not getting the full amount, to get more. However, I do not think it goes far enough. I think that even if we increase the amount by \$10, the ceiling should be raised by the amount of \$10. After all, there are a lot of these men who like to do odd jobs and earn a little extra money. In Canada today we want everybody working who can do so. I think everyone agrees on that point. We want all the production we can get, and if these old veterans are able to go out and do a job, they are relieving somebody else for more productive work. By keeping these ceilings too low we are prohibiting the people the right to do a little extra work, such as cutting lawns, etc. I cannot see where we are going to hurt anybody by raising the ceilings. We would only be giving this man an opportunity to help increase the productivity in Canada, and by doing that we would be helping ourselves as well as the veteran concerned. I do not think \$10 a month is sufficient. A little while ago Mr. Harris mentioned something that took place in England, but, after all, we here in Canada have adopted the policy of allowing our cost of living index to go up because we are on the north American continent alongside the United States of America. When we do that we have to take into consideration the people in the lower income group, and have to see that their income is sufficient to buy the necessities of life and, surely, a few of the luxuries that we produce here. I think both the amount and the ceiling should be raised.

The CHAIRMAN: This introduces a factor which is going to come up again in another clause. I refer to how the casual earnings clause is administered. There is no casual earning permitted to the old age pensioner in this country and I think it is helpful in this connection if we remember that, in fact, the War Veterans' Allowance Bill is nothing more than a bill which permits a soldier who served in a theatre of actual war, to become prematurely aged, or as we used to say, burnt out. Now, there is a close connection between this

legislation and the Old Age Pensions Act in this country. We have been observing in the committee from day to day the appearance of Mr. MacFarlane, who is the Director of Old Age Pensions of the Department of National Health and Welfare. I wonder if the committee, for the purposes of information, would like to hear from Mr. MacFarlane as to the practise with respect to old age pensions in dealing with casual earnings.

Mr. QUELCH: You are jumping from clause 8 to clause 9.

The CHAIRMAN: I know that, but that was introduced in what Mr. White said. We just have five or ten minutes left for this sitting and if his statement were short and sweet we could hear it now. However, since he has not had any warning perhaps we had better defer it until later.

Mr. BENTLEY: I should like to ask a question, but before I do so I should like to say, I want to preface it with the remarks that there have been some higher mathematics going on—adding \$125 and \$125, first calling it one thing and then calling it something else. We have had examples of what different pensioners receive, but there is another veteran who is utterly unfit to make a nickle out of casual earnings. Under the present Act, if he is married, his income is so much. He will not get any increase except the \$10, which is not enough. In putting these two figures together it has been endeavoured to make it appear that this is really beneficial, but it is not so.

The CHAIRMAN: That is the point I was making a moment ago. So far as that individual is concerned, under this Act his total income from any source does not bring him up to the permissive level. That is all he gets. I put it the other way. I say he gets it automatically through \$10, but you say that is all he gets. We both admit, however, that the veteran who needs it most gets it. That is the principle involved in this. The other person who is in a borderline category has an opportunity for extra income so long as he is below the ceiling that is permitted. That is all it does for anybody.

We shall now adjourn until four o'clock this afternoon.

The committee adjourned to meet again today at 4 p.m.

AFTERNOON SESSION

—The committee resumed at 4 p.m.

The CHAIRMAN: Gentlemen, I have in my hand here a telegram from William Campbell, president of the Disabled Veterans Association Incorporated, of Vancouver, British Columbia. At the request of the minister it was passed to me as chairman of the committee for comment. It reads as follows:—

The following resolution unanimously passed by this association last night respectfully requests the members of the special parliamentary committee of veterans affairs give utmost consideration for necessary action.

This is the message:—

Whereas government has failed to grant thirty-three one-third per cent increase pensions of war veterans allowances we demand immediate cost of living bonus.

In answer to this telegram I instructed the secretary to reply that the committee had dealt with the question of pensions and will not be recommending further on the question of pensions this session, and that we are presently dealing with war veterans' allowances. I also have from the same organization a long memorandum from the executive secretary. I have acknowledged that memorandum and have indicated that I would discuss it with the steering committee

of this particular committee at the first available opportunity. I just want you to know that this memorandum has been received and that I shall speak to the steering committee about it. The memorandum touches on a variety of matters.

Mr. LENNARD: A variety of matters with which we would normally deal later?

The CHAIRMAN: The secretary informs me that it deals with pension deductions on war veterans' allowances. We might as well look at it. I understand that the desire is to inquire into what happens to money when it is deducted, when pensions and war veterans' allowance paid reaches the permissive income. With the consent of the committee I shall turn it over to the steering committee at the conclusion of this meeting.

Gentlemen, when we adjourned this morning we were dealing with the bill itself and had just come to deal with section 8 on page 4, which is a supplementary paragraph, and section 12A (1) and (2), which are additional to section 12 in the bill. The discussion was on that.

We just have the following along with two other clauses, which were to stand, to consider. Then, if we conclude this we will proceed back again in accordance with what we did and receive resolutions with respect to the clauses which were standing. This is, then, on section 8 of the bill.

Mr. BAKER: Mr. Chairman, I do not like that clause "supplementary allowance". I think that all those now receiving the war veterans' allowance should automatically receive the increase of \$10 when it goes through. I am very firmly convinced in the matter and I think that section should be deleted. Probably somebody will move an amendment to have it deleted or something of that sort, but I just want to express my view on the point. I do not think there should be a further means test for those now receiving the war veterans' allowance.

The CHAIRMAN: Mr. Baker, do I understand you to mean that what you are advocating is that the \$10 increase should be incorporated in the schedule, as was the case in the Pensions Act, rather than being a supplementary grant to the amount which is in the bill at the present? Is that the point?

Mr. BAKER: I do not want to see a further means test. Eventually section 4 will have to be altered as well.

The CHAIRMAN: This is the section we are discussing and now is the time to express opinions.

Mr. BAKER: I just want to express my opinion on the matter.

Mr. CROLL: I do not see Mr. Baker's point. It says a supplementary allowance not exceeding \$120. Is there any distinction there, Mr. Baker? Do you suggest there is a distinction?

Mr. BAKER: Yes. They will not all necessarily get it without having to undergo another means test. At least, that is the way I interpret this.

Mr. JUTRAS: Does it actually mean that there will be another means test? I do not think it would.

Mr. CROLL: It does not strike me that way either.

Mr. JUTRAS: The commissioners would have a means test to establish the income and would use that in the first instance, and I suppose they would use the same yardstick in the second instance. It would be the same test.

The WITNESS: Might I just put in a little word of explanation in this matter. The only reservation in that section is that they be already in receipt of the maximum allowance under the Act. That is under subsection 1. Under subsection 2, on the other hand, which broadens it a bit, they permit the supplementary allowance to be paid to those who have not already reached the proposed new ceiling, without the supplementary allowance.

Mr. QUELCH: If this section becomes effective, a married couple already receiving the full allowance of \$730 a year and who has in addition, an earned income of \$375, will then not be eligible for the supplementary allowance.

The WITNESS: That is right.

Mr. QUELCH: And if a single veteran was getting the maximum allowance of \$365 and was earning some \$250, he then would not be eligible for this allowance of \$10.

The WITNESS: That is right.

Mr. QUELCH: Now, if the government is only prepared to increase the war veterans' allowance by \$10, then it would seem that that \$10 should be payable with the earned income remaining at the present level. That is to say, that the gross income, including the war veterans' allowance plus the income of a married veteran, should be increased from \$1,130 to \$1,250, and the gross income of the single veteran should be increased from \$640 to \$760, so as to permit an increase of allowance to all veterans at the present time. If this were so, you would not need an additional means test because everybody then would have the allowance increased by \$10 a month.

The CHAIRMAN: Do you not think you are getting a bit lead astray by the suggestion of a means test?

Mr. QUELCH: If a married couple today are receiving at the present time \$730 a year and their earned income is \$375, if the war veterans' allowance board find they are already receiving \$375 earned income, they have to say to them that they are not eligible for \$10 a month?

The CHAIRMAN: Exactly. Is anybody taking exception to that?

Mr. QUELCH: I am.

The CHAIRMAN: Surely the intention behind the proposed increase of \$10 is to assist the person having the most difficulty. If a recipient of the war veterans' allowance has reached the full permissive income, including the war veterans' allowance, then surely he is not the person who we are worrying about in this amendment. I think it is for a much larger percentage of people. If everybody was in that position there would be no need for the amendment at all.

Mr. BENTLEY: This morning I mentioned that I did not like the word "supplementary". It is my understanding that the word supplementary does not mean exactly the same as the word additional. I think this section would be better understood if it had been worded "additional allowance" instead of "supplementary allowance". The word supplementary itself implies that there will be another test.

The CHAIRMAN: That is not my understanding.

Mr. BENTLEY: Well, why did they put in the word supplementary instead of the word additional?

Mr. HARRIS: Where do you get the idea that there will be another test?

Mr. BENTLEY: Because of the word supplementary. They should have used the word additional. I do not understand why the word additional was not used instead of supplementary.

Mr. CROLL: You are just a suspicious man.

Mr. BENTLEY: That is right.

Mr. WOODS: I think the answer to that is quite simple. The bill that has been introduced here is attempting to bring the War Veterans' Allowance Act in line with the old age pension practice. The practice of the old age pension is that there is a basic pension of \$30 a month. A number of provinces have introduced supplementary allowances to pay an additional \$10 a month, and

this bill is an attempt to bring the War Veterans' Allowance Act in line with the old age pension practice, and it is called just that—supplementary allowances—by the provinces.

Mr. BENTLEY: Mr. Chairman, that is not the same thing at all. This payment is being made from a Federal government source, the Department of Veterans Affairs and their various branches. If another body such as the United Church or the Masonic Lodge said that they were going to add to that amount, I would say that it was a supplementary allowance; but, this should be an additional allowance from the same source as the other comes from.

Mr. Woods: Mr. Chairman, I submit that it is in the same sense that the supplementary allowance that has been introduced by the provinces is to assist people whose income is below a certain level. For example, if their income under the old age pension is placed at \$40 in some provinces and \$50 in others, then no supplementary allowance is payable. Therefore, it is the same in that respect. That is to say, this is only payable provided the income is not up to the ceiling. The ceiling is established here, in a case of a single man, at \$50 a month. I am speaking in round figures. In the case of a married man it is \$90 a month. Now, then, if their income from bonuses and veterans' allowances brings them up to that \$50 or \$90, the supplementary allowance is not payable because there is no room under that ceiling. The ceilings are approximately the same as under the old age pension legislation.

Mr. BENTLEY: That is very clear, but it only makes me think even more that the word should have been "additional". If the idea was to establish a ceiling, then those who did not have money from the various sources to bring them up to that ceiling, would get an additional allowance. Why use the word supplementary? I think the word additional should be put in, but even then I would not approve of it.

Mr. CROLL: Why should we change it then?

Mr. WHITE: Mr. Chairman, this seems very confusing to me and so I shall try to confuse the situation a little more with a few remarks. You made it quite clear that the veteran who is now getting the permissive limit will not benefit under this Act. That is quite clear. Take the veteran who is getting \$20 a month and earning the full amount. Under the present regulations he can still be brought up to \$30, and that is where he will stop. Now, who is going to benefit under this Act? You cannot increase the man who is now drawing the full amount, and you already have the authority to bring the man up to the present amount.

The CHAIRMAN: You cannot increase that if his supplementary earnings bring him up to the ceiling.

Mr. WHITE: That is right. Now, the man who is allowed \$20 a month and is earning \$250, he can already be brought up to the present level. So I would ask, who is it going to benefit?

The CHAIRMAN: The great majority of men, as I understand it, who receive war veterans' allowances, very largely have had to subsist on that alone. Therefore, the intention of the Act, as I understand it, is to give \$10 a month to those people who need it most. It seems there has been a new principle introduced into our discussion, that we are concerned about the married men getting another \$10 a month. My consideration has always been for the unfortunate people who have only this amount to live on, and this bill is an attempt, within the limits of the ceiling, to assist those who need it most. I doubt very much if anyone is gravely concerned at the moment about anybody who is receiving the maximum income.

Mr. WHITE: Suppose I was drawing \$20 a month and earning \$250. At the present time has not the Board the necessary authority to raise my allowance to \$30 a month?

The WITNESS: Yes.

Mr. WHITE: Now, if you pass this legislation you can only raise my allowance to \$30 a month.

The WITNESS: If you are getting the maximum ceiling.

Mr. WHITE: Do not confuse the point. If I am getting \$20 a month and earning \$250, under the present regulations you can increase my allowance to \$30.

The CHAIRMAN: Yes, that is correct.

Mr. WHITE: Now, all you can do is raise me to \$30 because I would be up to the maximum, with my \$250.

The CHAIRMAN: That is right.

Mr. WHITE: Therefore I quite fail to understand who is going to benefit from this.

Mr. DICKEY: Why would you only be getting \$20 a month?

Mr. WHITE: Because under the means test that is what I am entitled to.

Mr. DICKEY: I cannot follow that argument. You are entitled to get \$30.

Mr. WHITE: But you do not always get it.

Mr. DICKEY: As I understand it, it is not the people who are now getting the maximum that we are trying to help; it is the people who are getting the maximum and no outside income.

The WITNESS: If your income drops by \$10 a month we can bring you up to that \$30. I refer to the outside income which formerly brought you to the ceiling and which only allowed us to pay you \$20 instead of \$30.

Mr. WHITE: You can do that today under your present regulations.

The WITNESS: Not automatically under the present ceiling. The allowance is adjusted in proportion to the amount of income you may enjoy under the general ceiling. If that income is reduced then we will adjust your allowance upward to the maximum allowed. But that is not arbitrarily done on our part. For instance, if you are not at the maximum ceiling permitted under the Act, we can only give you the proportion of the allowance which is the difference of what you are earning outside, and the ceiling. Then, if that outside income from whatever source it may be, drops, we can increase the payment, but in no case, of course, above the maximum permitted under the Act.

The CHAIRMAN: If this section is passed the way it reads now, what would you say would be the procedure of the Board as to making increases? What would you do?

The WITNESS: As I stated this morning we have gone over the whole list of our recipients, and we find that we will be able to practically automatically pay about ninety per cent in the cases of widows. They will benefit from that increase practically in full. That amount would be granted without any application. It would be done automatically. Then there is left another class of 13,510 recipients who are now receiving the maximum allowance permissible under the Act. These recipients may be entitled to full or partially supplementary allowances, and if so, the amount would be such and such. We have prepared our work in such a way that with the information presently on hand the Board will be able to pay the majority of these amounts automatically,—perhaps not in the full amount in all cases but in the full amount in some and in a slight downward adjustment in others. In other words, we find from our records that under the new ceiling introduced by sections 6, 8 and 11, we may be able to adjust in the great majority of the 13,510 cases in the full amount and by a partial allowance under the supplementary clause in the other cases. This leaves us approximately 7,500 to 8,000 cases where we may have to call for an investigation. But, in all such cases, as far as conditions permit, there will not be any hardship. As some outside incomes may fluctuate slightly we may invite applications and consider them as such, but please bear in mind that they are already getting a substantial amount

of income, as far as the Act allows, inclusive of the allowance. Therefore, as I say, there would be 7,000 to 8,000 cases that, on application, we will review and adjust, giving them the benefit also of the amendments as such.

Mr. DICKEY: Perhaps I did not hear the discussion, but just before we adjourned there was some suggestion that somebody was going to give us an idea of the practice in the old age pension in respect to casual earnings.

The CHAIRMAN: Mr. Dickey, we have not come to the section on casual earnings; that has not been given.

Mr. DICKEY: I think that has some bearing on the matter we have in mind right now, and which was mentioned by the chairman of the Board. He said that a change in allowable earnings under sections 6, 8 and 11 would permit this increase to go into effect. I think it would be helpful if we could have that information.

The CHAIRMAN: If the committee desires, Mr. MacFarlane will give us a short statement on what the practice is with respect to casual earnings and old age pensions.

Mr. J. W. MACFARLANE, Director of Old Age Pensions, Department of National Health and Welfare: Mr. Chairman and gentlemen, I have prepared a brief statement which sets out the facts which generally apply to our nine provinces.

The Old Age Pensions Act specifies the maximum income including pension which a pensioner may receive. The Old Age Pensions Regulations require the provincial pension authority to take into account the amount or value of all income and contributions received by the applicant or if married, by the applicant and spouse, whether in cash or in kind, except income or contributions from certain specified sources.

In dealing with an application for pension the pension authority must reach a conclusion as to the amount of income which the applicant is likely to receive during the twelve months following the grant of the pension or during the next calendar year. Their decision on this point must be based on the applicant's own statements and on the report of the investigator. In order to determine the amount of pension which may be paid it is obvious that the pension authority must decide whether all or any income which the pensioner may be receiving when he applies for pension is likely to continue.

The expression "casual earnings" is not used in the Old Age Pensions Act and Regulations. Presumably the expression is intended to refer to earnings from odd jobs but not to include seasonal work which may last for a few months and may continue from year to year. Where an applicant had been earning a few hundred dollars a year from odd jobs the pension authority would likely assume that he would stop such work when he obtained pension. The applicant might be asked for a statement as to his intentions for the future. The income from odd jobs if continued to be received would be included with any other income received by the pensioner. Where the pensioner had no regular income the pension authority would still check up on the income from odd jobs. It is, of course, difficult to find out about this type of income if not reported and it is taken for granted in the administration of old age pensions that casual earnings are sometimes deliberately concealed or not reported due to pensioners considering that the pension authority does not require notification of such income.

Mr. BAKER: Colonel Garneau has cleared up my mind regarding this. I think the great majority of veterans will get this without any means test.

Mr. CROLL: Mr. MacFarlane, where are the sources you have made reference to?

Mr. MACFARLANE: The cost of living reports and so on.

Mr. CROLL: I know what you mean now.

The CHAIRMAN: Is there any further discussion? We still have a couple of clauses to discuss before we revert to the resolutions. Do you wish to speak to them, Mr. Harris?

Mr. HARRIS: I want to speak to section 2 of the bill.

The CHAIRMAN: The proposal is that as soon as we have examined and heard whatever discussion there is we will turn back to the beginning and receive whatever resolutions are to come on the clauses in the order in which they were allowed to stand. Is there any further discussion on section 12—that is section 8 of the bill? No. 9: "Paragraph (d) of section thirteen of the said Act is repealed." That is the elimination of the casual earnings clause.

Mr. WHITE: Mr. Chairman, what would be the objection if this clause were taken out of the bill, and clause (d), which provides for the veteran earning \$125 a year, casual earnings, be left in? Surely there cannot be any objection.

The CHAIRMAN: Is the effect of what you suggest, Mr. White, that it would raise the permissive earnings by \$125?

Mr. WHITE: Not necessarily; only in some few cases.

The CHAIRMAN: The permissibles?

Mr. WHITE: No, they would still be at the \$250 range; but under this section which comes under certain general clauses exempting certain things, veterans could still have these odd casual jobs, and I think after all they should be encouraged to take them.

The CHAIRMAN: I would be inclined to entertain the idea seriously, speaking personally, if there were some narrower limit put on it. I think when they run from \$10 a month you are beginning to flirt with regular income.

Mr. WHITE: Put it at a smaller amount. We could amend this section of the Act and make it \$75.

The CHAIRMAN: I am interested in this. You had better finish your presentation, and I will see what I have to say.

Mr. WHITE: I suggest it would be proper at this stage of going over the bill to move that this clause be struck out and I would so move, because if the bill is passed I presume it will be too late to make a motion to have the clause struck out.

The CHAIRMAN: No. We are not going to report the bill until we have dealt with all the motions.

Mr. WHITE: I understand that when this bill is passed then we go on with the recommendations. I move that clause 9 be struck out of this bill.

Mr. JUTRAS: I am not satisfied that by repealing this section we actually do what we intend to do. I gathered from the discussion that has taken place previously that the intention there was to give, so to speak, the benefit of the doubt to the veteran of getting the odd casual earnings on the basis that this was being done under the old age pension in the various provinces.

Now, there is a difference in the Old Age Pension Act inasmuch as most of the casual earnings are definitely and specifically stated, and I think it is the practice generally that outside of those specific incomes so designated in the Act whenever earnings are earned by the old age pensioner they are considered part of his income. Now, in this case if we simply repeal paragraph (d) I am afraid that actually what the explanation says in the bill will happen, that those earnings will hereafter be considered as a part of the new permissive income. Now, I agree it is entirely a matter of administration. I am not going to press the issue to any extent because the administrator has the experience and he knows how it will work out. However, I fail to see how the commissioners will be able to, let us say, just ignore certain very casual earnings. By the very

virtue of the Act they will be compelled to consider every cent that the pensioner will earn during the year. Consequently, instead of doing away with casual earnings, it will place the commissioners in the position where they will have to inquire into each individual case and ask the individual to report every cent he will make. I favour the suggestion that has been made—not to reinstate the \$125 a year—because then you would place the veteran again in the position of having to determine part of his income as casual and part as permanent. He will be placed in a constant dilemma of dividing whatever income he may earn during a month, the one part being casual and the other part permanent; and it also places the commissioners in the position of having to waive those two earnings in the balance. However, if there was a small amount, such as \$35 or \$50 or \$60—say \$50—included in there which would enable the commissioners to just let go very small casual earnings, it would not force the commissioners to have to look into very small earnings.

Mr. CRUICKSHANK: Mr. Chairman, could not some of these gentlemen hold their private caucuses outside so that we can hear the gentleman who is speaking?

The CHAIRMAN: Order, gentlemen, please.

Mr. JUTRAS: I think it would simplify the administration of the Act and it would obviate the difficulty of veterans having to make all kinds of declarations on their small casual earnings; and the way I gathered the intent of everyone here it is that the veteran should not be asked to make a return on every casual earning that he makes.

The CHAIRMAN: As I understand your suggestion, Mr. Jutras, it is that in your opinion a motion such as was suggested by Mr. White, if it carried \$5 a month, which would be \$60 a year, might meet with your approval?

Mr. JUTRAS: Yes, I think it would meet the objective.

The CHAIRMAN: Well, we will ask the chairman of the board how it would affect administration.

Mr. BENTLEY: Mr. Chairman, have you accepted Mr. White's motion as a motion yet?

The CHAIRMAN: This is the last clause to stand, other than the last one, which depends upon the others. We might as well start right. I do not care whether we start at the end of the bill or the beginning.

Mr. BENTLEY: We have a motion before us, have we not?

The CHAIRMAN: No, we have not. Mr. White asked if it is in order—complete your discussion and I will entertain Mr. White's motion when he comes again.

Mr. HARRIS: There is no point in having the motion; he votes against the section, and that is all.

The CHAIRMAN: He gave notice of a motion. I understood him to say that while he was not asking, by voting against this motion he would be voting to re-establish the original motion. I understood him to say that some nominal sum—I think he suggested \$75—would do; and I asked Mr. Jutras if he would suggest \$60, and at that time I asked the chairman of the board if he could give us any idea how that would affect administration. I do not think I should ask him to discuss it on the policy basis, but he could tell us how that would affect administration. Then, Mr. Bentley, your point is well taken: we will go back and start at the beginning of the bill.

The WITNESS: I might state with regard to that, that there would be no serious objection from an administrative standpoint, having the casual earnings in an amount of \$60, for instance, which someone has mentioned—\$5 a month. As a matter of fact, I am inclined to state that from the standpoint of administration it would make things probably, or possibly, a little easier for us in the

matter of adjustment of small amounts which might be over; but it would be understood that if such a resolution were accepted—it is a matter of government policy—but if such a recommendation were accepted, the amount set would be considered as the dead-line of income; there would be no serious objection, and it might be slightly helpful to us.

The CHAIRMAN: That, gentlemen, brings us back to the position which we originally took and have maintained with some difficulty but with a good deal of good nature and good will. We will now proceed to entertain resolutions on these matters which we have discussed previously and we will begin with clause 2, which was allowed to stand.

Shall clause 2, touching on salaries, carry, or are there suggested amendments?

Mr. HARRIS: I would like to discuss this clause, but I think perhaps what I might say might lead to a certain amount of talk which might perhaps better be off the record, and it might also be desirable if Colonel Garneau would withdraw for the time being while we are discussing the matter. Later we would like to have his advice, possibly, but as a preliminary I would appreciate his retiring.

The WITNESS: I think it would be the easier way for me.

Mr. CRUICKSHANK: Mr. Chairman, before Colonel Garneau withdraws I want to say we discussed the matter of Pension Commission salaries on the record and I personally can see no reason whatsoever for not keeping on the record in this connection.

Mr. JUTRAS: With all respect to Mr. Cruickshank, I think the situation here is different. In the other case it was just a matter of accepting the bill, of discussing the bill; this is a different story, something new is being brought in.

Mr. CRUICKSHANK: As far as I am concerned anything I have to say to the veterans in my riding in connection with increases or not in the war veterans' allowance or war veterans' allowance salaries I am prepared to say on the record. I see no reason why this should not go on the record.

Mr. JUTRAS: I suggested only that this matter refers to the presence of Colonel Garneau. I was not referring to the discussion being off the record.

The CHAIRMAN: Gentlemen, I think in consideration of the very frank discussion we have had on these questions that as a matter of courtesy we should permit Colonel Garneau to retire. I think he would prefer to do so. Whether the discussion is on the record or not is in the hands of the committee. If there is a division of opinion I will entertain a motion and be guided by the result.

Mr. CRUICKSHANK: I move that any discussion on this clause be on the record.

The CHAIRMAN: Shall I put the motion?

Mr. HARRIS: Mr. Chairman, before you put the motion I want it clearly understood that at the end of the discussion it is my intention to make a motion which will be on the record, and give the reasons why I wished certain things not on the record. I would like to have certain information given off the record before I form my motion.

The CHAIRMAN: It has been customary in that case, at the request of any member of the committee who desires to speak off the record, for the committee to grant him that courtesy. On such occasion it has not been customary to ask the press to withdraw, neither have we asked the *Hansard* reporter to withdraw; they simply abstain until we go back on the record. Under the circumstances I will take the responsibility of telling Mr. Harris that he may speak off the record.

Mr. CRUICKSHANK: Mr. Chairman, with all due deference I rise on a point of order. There is a motion before the committee. I have had a lot of talk with my legal friends. We have had a lot of discussion on the record about the members getting \$2,000 and therefore we can afford to increase pensions. Let us keep the record clear. We got the \$2,000 for the reason that we should work for the best interests of our communities. We did not get \$2,000 to gallivant across Canada for certain other reasons. I can see no reason for any discussion with regard to this matter being off the record, or whether we are going to discuss increasing war veterans' allowances by a certain amount. I am quite willing to allow the chairman of the board to withdraw; it is embarrassing to him; but it should not be embarrassing to us with regard to any matter as to an increase in salary under the War Veterans' Allowance Act. As far as I am concerned I am objecting to your ruling, Mr. Chairman. There is a motion before the committee, and I think you have no right to rule without a vote being taken.

Mr. Ross: I should like to say a word. I think, perhaps, I raised this issue to some extent at the morning meeting. I was rather frank in the questions I asked. I also raised the question about when these increases had taken place, what years, and the most recent one under the Pension Bill for the chairman and the commissioners under the Pension Act. This morning I distinctly stated there was some discrepancy in the amounts paid the commissioners.

The CHAIRMAN: We had a comment on that from the chairman of the board.

Mr. Ross: Yes, it was put on the record. I will be frank and discuss things with him now. I am going to support Mr. Cruickshank's motion and if, on the other hand, Mr. Harris or someone else wants something off the record I will be willing to concede that as well.

The CHAIRMAN: Perhaps I can clarify the matter. A moment ago I said that if the committee desired to have the general discussion on the record I would entertain a motion; I said I was in the hands of the committee. Mr. Harris then rose and said that for his purpose it was not necessary to divide the committee on that question. He asked to be allowed to make a statement off the record. That is the right and privilege of anyone. I was in the process of putting the question. Mr. Harris rose and said he did not wish to divide the committee; and all he was asking for was an opportunity to make a statement off the record. As far as I am concerned it is not necessary to divide the committee since Mr. Harris had no desire to have the discussion off the record, but only to make a statement himself. Therefore, I said he might do so, but I did not put the question. I anticipate it is the intention of the committee to have the discussion on the record, and it seems to me I did, as is my right, concede to Mr. Harris the right to make a preliminary statement off the record which I will be happy to do if he goes on.

Mr. HARRIS: I will not do that in view of the discussion.

Mr. CRUICKSHANK: I withdraw my objection.

Mr. HARRIS: I intend to ask a few questions of people whom I thought might prefer to give their answers off the record. I am not sorry about what Mr. Harris says; it is what others say.

The CHAIRMAN: I was being guided by the rules of the House: "Any member of a select committee has the right to have the room cleared if he wishes to take the opinion of the committee upon any matter arising." That is what we are talking about. So I want the committee to understand that I was not simply arranging something for the convenience of any member. Any member has the right to ask that discussion in which he asks the opinion of other members shall be off the record. I took it when you rose, Mr. Harris,

when I was about to put the question, you were not pressing it to that extent and decided only to make a statement. Those are the rules, and the chairman will abide by them.

Mr. HARRIS: Well, let us bring this matter to a point. I will avoid asking for any information whatsoever, so that nobody will be on the record, although I think it would be helpful to the committee if they had that information. I do not think it is fair for the chairman of the War Veterans' Allowance Board to be graded on the same basis as members of the Pension Commission. That is the situation. The chairman of the Pension Commission receives \$10,000 a year and the vice-chairman and the other members \$8,000 a year, and the result of this amendment will be to leave the chairman at \$8,000 and the other members of the War Veterans' Allowance Board at \$7,000. My own experience has been that the War Veterans' Allowance members probably do more work individually than do the members of the Pension Commission. I say that in this sense, that they become more aware of all the facts in the case by personal study and examination of all the factors involved, because they get these files and they get the circumstances in front of them much sooner, generally, than do the Pension Commission. The Pension Commission, while it has more important duties to perform—there is no question about that in some respects; they require perhaps more technical knowledge of medical and other phases—but there are more administrative bodies between them and the veteran to clear the decks as matters come up. So their problem, while definitely a major one, is not a matter of personal study, perhaps, such as the members of the War Veterans' Allowance Board give to the particular cases that come in front of them. For that reason, from the time I saw this bill, as I think the committee knows, I have asked that consideration be given to putting this section off while I gave further thought to it. In fact, I think four months ago I asked for information, which I was given by the clerk. Now, it had been in my mind to ask a few questions of the deputy minister which I felt he might not want to answer on the record, and I would not want him to do so. I do not think the committee should worry the people who are working for them. On that basis, as I have said, I am going to make a recommendation which can be made in two ways: either that we do increase the salary of both the chairman and the members of the War Veterans' Allowance Board by a definite sum, or if the committee is not prepared to do that at this sitting I will put it the other way: that a special committee of this group, representative, of course, of all the groups in it, be appointed now to discuss the salaries and bring in a recommendation at the next meeting. I do not think it would be difficult, but I think there might be differences of opinion as to the nature of the increase for both the chairman and the members of the commission.

The CHAIRMAN: It is understood, Mr. Harris, that the present clause in the Act does increase the commissioner's salary by \$500.

Mr. HARRIS: Yes, I know that.

The CHAIRMAN: But it does not do anything for the chairman.

Mr. HARRIS: Quite so. I might say that I have only discussed this very fleetingly with members of the committee and perhaps the majority do not feel that there should be an increase over what is contained in this provision. But if the majority of the committee does feel that there should be an increase for the chairman of the committee or for the members of the War Veterans' Allowance Board, it might be considered better that we appoint a small committee to discuss this matter.

The CHAIRMAN: In the interest of speeding things up, Mr. Harris, I think if you were to propose a definite resolution, if you have one formulated in your mind, we could quickly decide whether it would have the general approval of the committee. If it did not meet with the general approval of the committee

we might seek to short-cut the discussion, and I think possibly we would not need a special committee.

Mr. HARRIS: In order to incorporate the increase I would move: that this committee is of the opinion that the sum set out in section 2 of the bill might be increased and that a special committee be appointed by the chairman to consider this.

The CHAIRMAN: Tell us what the increase is and perhaps we will deal with it ourselves.

Mr. HARRIS: I do not think that would be fair because some of us may think the increase should be \$1,000 and others might think it should be an additional \$500. I feel we might not give proper consideration to the matter if some thirty-five of us here tried to talk about it in the next half hour. I should prefer to leave the decision to a small committee. That is my motion and if anyone is opposed to an increase to an amount above this, then he will not support the motion.

Mr. CRUICKSHANK: That is not fair at all. With regard to that motion, Mr. Harris is suggesting that we are opposed to an increase at all. As private members we can only recommend, and I think Mr. Harris has no right to say that if we vote against the motion we are opposed to an increase.

Mr. HARRIS: I am getting a little fed up with suggestions from you.

Mr. CRUICKSHANK: I am getting fed up with your suggestions too.

Mr. HARRIS: I was only trying to be fair to our members of this committee. It may be that this committee does not believe in an increase at all in these sums. Now, if you do not want to vote on that I am quite agreeable.

The CHAIRMAN: Mr. Harris' motion is that this committee should consider the inadequacy—it is an implied suggestion—in the salaries set forth in the bill, and his motion is that with reference to the second section, that the committee might instruct the chair to set up a subcommittee to determine what the sums should be. That is a straightforward motion that need not embarrass any member of the committee. If there is a member of the committee who thinks that we should not raise the salary, if he votes against that motion, as far as his vote is concerned, he denies consideration of it. If a member thinks that the salaries are inadequate and thinks that they should get more, he should vote for the motion. Then through the member's representative on a subcommittee, he can help that committee to decide what the sum should be. I should like to also point out that if some member of the committee wants to say, for instance, that the chairman should get another \$1,000 and the others another \$500, it is quite in order for that member of the committee to rise in his place now and say he moves an amendment to the motion of Mr. Harris. He can say that the recommended increase be "X" dollars in the case of the chairman, and we can put it to a question now and thus eliminate the necessity of having a subcommittee deal with the matter. These alternatives are before us. What Mr. Harris stated with respect to a negative vote on his motion being a vote against a further recommendation of a raise, is strictly accurate.

Mr. WINKLER: I would move an amendment, if I may, to the motion. I would move that this committee recommend that the salary of the chairman of the War Veterans' Allowance Board be \$9,000 per annum and that the salary of the members of the Board be \$7,500 per annum.

Mr. McKAY: I second that motion.

Mr. BENTLEY: Mr. Harris made it quite clear he did not want to embarrass any official on a deputy level. Can he give the committee any reason why, when the bill was drawn up, the salaries for the members of the War Veterans' Allowance Board were not made the same as those of the officials of the Pensions Board?

The CHAIRMAN: There has been some discussion on that and I have to speak on my own now. The Pensions Commission were administering \$73,000,000 of the taxpayers money, and the Board is very large. It held sittings all over the country. They need a very considerable staff and there is a great deal of administrative work. While I agree wholly with what Mr. Harris said regarding the personal contact and onus of responsibility of the War Veterans' Allowance officials—I think it would be easier for a pension commissioner to go home and sleep at night than it would be for a member of the War Veterans' Allowance Board, because he has to use his own judgment to a great degree—the pension man has a large amount of serious responsibility in an administrative sense. I think those are the reasons. At one time there was a discrepancy and at a later date it was levelled off and now the figures are raised to par again. I think when the recommendations were made that was taken into consideration. I hope I have argued on both sides.

Mr. BENTLEY: Thank you very much.

Mr. McKAY: I do not think it is quite fair to say that because the chairman of the Pensions Commission administers a larger sum of money that he should get a greater salary. Because he administers over a large amount of money it does not mean that his task is as onerous as that of another chairman, who, although he administers over less money, has heavy work to do. I think the chairman of the War Veterans' Allowance Board has a much more onerous task than the chairman of the Pensions Board. It is not a question of administering over more money; it is the job that is done. The job of the chairman of the War Veterans' Allowance Board is in many respects more important than the other job, certainly it is just as important. If so, that official should receive a salary commensurate with the work he is doing.

The CHAIRMAN: I was asked a question and I was careful to state both sides. I did not mean to suggest that because there was a difference in the amount of money involved in administrative work, that the salary should be any less. The point is that there are many more pension commissioners and the chairman has the responsibility for the whole board here as well as the responsibility of the administration of a much larger organization throughout the country. I stated that I felt sure these matters were taken into consideration. Now, we have a motion, and an amendment to the motion. What is your will?

Some Hon. MEMBERS: Question.

The CHAIRMAN: Mr. Harris moved that the committee consider the inadequacy of the salaries set out in clause 2 of the bill and that a subcommittee, the members to be named by the chairman, be appointed to consider clause 2 and make recommendations to the committee. Mr. Winkler moved an amendment to that motion: that the committee recommend that the salary of the chairman of the War Veterans' Allowance Board be increased to \$9,000 and that the salaries of the members of the Board be increased to \$7,500.

Some Hon. MEMBERS: Question.

The CHAIRMAN: The question is on the amendment. Those in favour of the amendment? Those contrary, if any?

I declare the amendment carried.

That dispenses with the motion.

Shall clause 2 subject to the recommendation carry?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Gentlemen, that brings us to section 4 which repeals section 6 of the Pension Act and substitutes—

Mr. BENTLEY: Just a moment, please. It is true that this morning the deputy minister suggested the withdrawal of section 3 and we dropped it.

Nevertheless, the section has been in the Act all the way through our study until this morning and it is the only place in the bill that has to do with a theatre of war. While we are on that point, and before we get to the next one, I should like permission to move a motion in that connection. It will be a recommendation for an amendment to the Act as it now stands.

The CHAIRMAN: Before you proceed, Mr. Bentley, the decision we came to was that we would take these amendments which deal with the present bill. That section was withdrawn from the bill, so the proper procedure in what you desire to do is to deal with it at the conclusion of this bill, but not at the conclusion of dealing with the Act. You should then make a recommendation that the appropriate section of the Act be amended.

Mr. BENTLEY: My motion is framed in that way.

The CHAIRMAN: It will come under the general regulations at the conclusion of these clauses.

Mr. BENTLEY: I hope that I shall have the privilege of moving it at that time.

The CHAIRMAN: I shall rise at the proper time and notify you that you may do so.

Gentlemen, the next item that was not carried was clause 6, which replaces 9.

Mr. WHITE: Mr. Chairman, on this point I should like to move the motion that I suggested this morning and which you recommended stand over. My recommendation is that the committee recommend that Bill 196, an Act to amend the War Veterans' Allowance Act be amended by striking out in this section the words "three hundred and sixty-five" wherever they appear and insert the words "six hundred", and by striking out the words, "seven hundred and thirty" wherever they appear and inserting the words, "ten hundred and twenty". Also in connection with this, Mr. Chairman, I would move that section 12A be struck out because, as I mentioned before, you have to read those two sections in conjunction with each other, and if this amendment should carry in clause 4, there would be no need for section 12A.

The CHAIRMAN: The motion that you have just moved, Mr. White, is on section 8 of the bill?

Mr. WHITE: It is section 4 on page 2.

The CHAIRMAN: I see, it touches 4, 5 and 7, and deletes 8 and 9.

Mr. WHITE: It deletes section 8, which deletes the contentious clause of 12A. Mr. Chairman, when we were speaking on section 9 I did not know whether you accepted my motion to strike it out or not.

The CHAIRMAN: I said that when we came to it we would take it again.

Mr. WHITE: I thought if section 9 were struck out I would move to amend the section of the Act in connection with casual earnings.

The CHAIRMAN: Gentlemen, the motion before the committee is as follows: that the committee recommend that Bill 196, an Act to amend the War Veterans' Allowance Act, be amended by striking out the words "three hundred and sixty-five" and the words "seven hundred and thirty" wherever they appear in clauses 4, 5 and 7 thereof, and substitute therefor the words, "six hundred" and "ten hundred and twenty"; and that clause 12A be deleted. The discussion is on the motion of Mr. White.

Some hon. MEMBERS: Question.

The CHAIRMAN: Mr. White, for the benefit of the committee I think perhaps it might be worthwhile if you would indicate what the effect of the change would be.

Mr. WHITE: The amendment is simply a motion carrying out the recommendations made by the Legion, that the basic rate would be increased to \$50 a month for a single person, which would increase it to \$600 from the present \$365; and in the case of a married man or a widower or one who has been divorced with children, it would be increased to \$85 a month.

Mr. WOODS: What would be the ceiling in those two cases if you raised the single man to \$50 and the married man to \$85?

Mr. WHITE: That is exactly what the Legion recommended.

Mr. WOODS: What would be the ceiling?

Mr. WHITE: The ceiling would stay exactly where it is.

Mr. QUELCH: The allowance plus permissible income would increase from \$640 to \$825 for a single man, and from \$1,130 to \$1,420 for a married man. I am especially interested in that point because a little while ago the chairman said that we were not concerned in increasing the gross income, but merely in increasing the amount of the allowance within the existing framework; but the recommendation of the Legion is definitely to increase the gross income. Under this motion, as I say, it would raise the ceiling from \$640 to \$825 for a single man and from \$1,130 to \$1,420 for a married man.

The CHAIRMAN: You have confused what I said. I was giving my interpretation of the intent of the Act as drafted. Mr. White, does your motion embrace the \$80 recommended by the Legion or the \$85 recommended by the National Council?

Mr. WHITE: \$85, as recommended by the Legion. What I have here is that the war veteran's allowance be increased to \$50 a month for a single man and \$85 for a married recipient.

Mr. WOODS: Then, Mr. White, you are suggesting that the present permissive income, over and above that, remain as it is in the Act at the present time?

Mr. WHITE: Yes.

The CHAIRMAN: That also has to do with the changes with respect to widows, dependents and dependent children.

Mr. WHITE: Mr. Chairman, it covers them all.

Mr. CROLL: How will that recommendation affect section 8?

The CHAIRMAN: The motion includes the elimination of section 8. Mr. Garneau, what will be the effect of eliminating the new clause 12A? You gave the figures this morning, indicating the number of those who would automatically receive benefits.

The WITNESS: If clause 8 were allowed to stand it would mean an additional \$10, as I see it at this moment, over and above the amount recommended in this motion if the same were passed.

Mr. WHITE: The motion that I made would eliminate section 8 so that there would be no \$10 increase.

Mr. CROLL: Does the motion say that?

The CHAIRMAN: Yes. I shall read the motion again. That is why I have been doing a little mental arithmetic here myself. The motion by Mr. White is as follows: That the committee recommend that Bill 196, an Act to amend the War Veterans' Allowance Act, be amended by striking out the words, "three hundred and sixty-five" and the words, "seven hundred and thirty" wherever they appear in clauses, 4, 5 and 7 thereof, and, substitute therefor, the words "six hundred" and the words "ten hundred and twenty"; and that clause 8 be deleted. As I understand it, Mr. White's motion is designed to make the \$10 come under this schedule and to remove the supplementary allowance altogether.

Mr. WHITE: It would be a \$20 increase.

Mr. WOODS: Mr. Chairman, I suggest the effect would be in the case of a single man, that he would be paid a war veteran's allowance of \$50 and could receive \$20 a month from any other source, such as a pension, with a ceiling of \$70 a month; and in the case of a married man that he could be paid a war veteran's allowance of \$85 a month with a permissive income from other sources of \$30 a month, bringing him up to a ceiling of income of \$115 a month. That is to say, if he had a pension of \$30 a month, he could draw that in addition to the \$85 for a total of \$115 a month.

Mr. QUELCH: The ceiling would be \$825 for a single man and \$1,420 for a married man, would it not?

Mr. WOODS: Yes.

Mr. CROLL: What is it now?

Mr. WOODS: Under the proposed bill it is suggested that in the case of a single man it will be \$50 instead of \$70 as proposed by Mr. White.

Mr. CROLL: That is \$600 a year.

Mr. WOODS: Yes.

Mr. CROLL: And what about married veterans?

Mr. WOODS: In the case of a married veteran, with the supplementary allowance, it is \$90 a month or \$1,080 a year. This would mean a ceiling of \$1,380 instead of \$1,080.

The CHAIRMAN: It would raise the ceiling by \$300.

Mr. WOODS: That is right.

The CHAIRMAN: Could the chairman of the committee give us an idea of the financial obligation involved in this change?

The WITNESS: It was originally estimated that the supplementary allowance would cost $2\frac{1}{2}$ million dollars. I also stated that under the proposed increase, according to the Legion recommendation, the additional liability would be in round figures, let us say, \$7,300,000. So that would mean that if you eliminated the supplementary allowance from the bill, and this resolution were to pass, I would estimate the additional cost at \$4,800,000. That is just a rapid calculation.

Mr. BENTLEY: Mr. Chairman, there seems to be complete silence in the committee room so I imagine most members are afraid of the amendment, but personally I have an amendment here to offer and it is precisely like that which has been made, so obviously I am going to support Mr. White's motion. The Legion must have given a lot of consideration to this matter. They know it will be somewhat of a blow to the taxpayers. The National Council also made a similar recommendation to the one made by the Legion, so these bodies must have given a lot of study to this matter, and because of that I think this committee would do well to accept their consideration of this and support the motion that is before us.

Some Hon. MEMBERS: Question.

The CHAIRMAN: Gentlemen, before I put the question, although I do not want to enter into a discussion on the merits or demerits of the motion as such, I do think from the chair I should indicate to the committee that what we are doing in accepting a recommendation such as this, is radically departing from the general practise of the bill. Inevitably we are going to find, if this recommendation should carry and be implemented by administration, that we have abandoned all pretext that this legislation, is in point of fact, a premature old age pension for those who have been prematurely aged or burnt out, and we shall find that we have, in fact, substituted the principle of service pension. We are getting out of line with old age pension practice in general. The proposition in the bill itself makes this legislation in line with the most generous old age pension legislation in the country, and if we carry that motion and succeed in carrying it in the House, the net result

will be that we have established for the first time a new departure in connection with a service pension. I just wanted to record my views in respect to this in order that it might not be held that we were not aware of what we were doing in making this recommendation.

Mr. QUELCH: You say that it is a departure from the old age pension, but, on the other hand, we find today organizations across Canada have already petitioned the government, asking them to increase the old age pension to \$50 a month. By passing this legislation we will be just raising the veteran's old pension to \$50 a month and then hope that the government will fall in line with the suggestions made by organizations across the country.

The CHAIRMAN: You are an incurable optimist.

Mr. MOORE: In view of the fact that they have accepted the \$50 recommendation in connection with the Pension Bill, they can hardly turn down this recommendation.

The CHAIRMAN: My logic does not follow that.

Mr. BENTLEY: I do not in any way suggest what the chairman had in mind of abandoning the old principle for a service pension. I do no such thing. I am trying to establish a start towards a social security measure in this country. If we cannot take in the overall country in a social security measure at once, then we should start with the most deserving section of our population, our veterans.

Mr. CRUICKSHANK: I can speak for the members of our party in British Columbia and I say that we are entirely in accord with this recommendation. We believe that the Legion's recommendation is a reasonable one and should be supported.

Some Hon. MEMBERS: Question.

The CHAIRMAN: Gentlemen, it has been moved by Mr. White that the committee recommend that Bill 196, an Act to amend the War Veterans' Allowance Act, be amended by striking out the words, "three hundred and sixty-five" and the words, "seven hundred and thirty" wherever they appear in clauses 4, 5 and 7 thereof, and substitute therefor the words, "six hundred" and the words, "ten hundred and twenty": and that clause 8 be deleted.

Those in favour of the motion please rise.

I declare the motion lost.

Mr. CRUICKSHANK: Mr. Chairman, I hesitate to suggest it, but I should like a recorded vote.

Mr. McKAY: Mr. Chairman, I would like to move a further amendment under this section. The wording is very similar to the one which has just been lost, but it embraces the recommendation of the Council of Veterans, and the only difference in it, I believe, is the fact that the wife in the case of a veteran who receives the war veteran's allowance receives the same amount of money as a disability pensioner's wife would under similar circumstances. So I make this motion: That in the opinion of this committee the government should give consideration to amending the War Veterans' Allowance Act, 1946, as follows: by striking out the words "three hundred and sixty-five" and substituting therefor the words "six hundred"; and by striking out the words "one hundred and twenty-five" and substituting therefor the words "two hundred and fifty."

I believe that is exactly the same as the other motion.

Then in the second case by striking out the words "seven hundred and thirty" and substituting therefor the words "one thousand and twenty", and by striking out the words "two hundred and fifty" and substituting therefor the words "three hundred and seventy-five"; and third, by striking out the words "three hundred and sixty-five" and substituting therefor the words "six hundred", and by striking out the words "six hundred and forty-eight" and

substituting therefor the words "eight hundred and seventy-five", and by striking out the words "seven hundred and thirty" and substituting therefor the words "one thousand and twenty."

Mr. CROLL: Mr. Chairman, on a point of order, what is happening in effect is that my friend is introducing in substance and in principle the same resolution that we have just defeated. That kind of thing can be endless. One may bring one in for \$620 and the other for \$619, and we would have to go all the way through until we finally come down to the \$360 or \$365. In principle we have dealt with the question that has been proposed; and on a point of order I suggest this motion is out of order.

Mr. McKAY: I think there is something absolutely wrong with that contention. In the first place, we were discussing and dealing with a recommendation made by the Legion—

Mr. CROLL: No, no.

Mr. McKAY: —and in the second place I am introducing here an amendment based on that which was in the brief of the Council.

The CHAIRMAN: Now, gentlemen, I have just asked for a copy of the resolution in order that I may see what the implications are. I shall rule in a moment or two when I know what I have got.

I have now before me the motion of Mr. McKAY. Part 1 begins with striking out the words "three hundred and sixty-five" and substituting the words "six hundred." That, gentlemen, is precisely what we have just defeated. In part 2: by striking out the words "seven hundred and thirty" and inserting the words "one thousand and twenty", and by striking out the words "seven hundred and thirty". That again has been defeated. In part 3: by striking out the words "three hundred and sixty-five"—the same criticism applies. Therefore, I say I will have to rule that the objection of Mr. Croll was in order and that the motion is not receivable.

I am brought back, as far as the bill is concerned, to a consideration of clause No. 9 on page 4. By the way we have then to carry section 6 on page 3. It has been carried except in line 14, the words "or obligated".

In our discussion the other day the chairman agreed with us, I think, that those words in this clause 6 substitute a new clause 9 for the old clause 9 in the Act. The chairman of the board has an observation which he would like to make applying to the point raised by Mr. Harris this morning.

The WITNESS: Mr. Harris was asking this morning, or suggesting, that the "enlisted or obligated to serve" could well be deleted unless there was some definite purpose for it. At that moment, in the heat of the discussion, I could not give him readily an answer, but I think I can explain what was meant, and where this might be applicable, by a very short example. We are dealing with new subsections, subsection (a):

(a) person who served during World War I and World War II as a member of His Majesty's Canadian forces and was enlisted or obligated to serve in such forces without territorial limitation.

That subsection is designed to look exclusively after our Canadian veterans who served in World War I and in World War II, but in both instances in active service organizations—the C.E.F. in World War I and the C.A.S.F., so to speak, in World War II.

The other subsection, (b), is designed to look after the ex-Imperial veteran who was domiciled in Canada at the time he joined the forces and who came back to Canada after and who served in the Canadian forces in World War II.

Now, it might well happen that an ex-Imperial veteran would have served in a theatre of actual war and would qualify perfectly well from the standpoint of service in World War I, but he might have only served in a reserve unit in

World War II, doing the best he could. For instance, suppose he joined the Veterans Guard of Canada, the argument is pointless; but if even for reasons of health he could not quite have joined the Veterans Guard of Canada, which was active service force, and served in any of our militia units or reserve forces of the Canadian militia, he then would be admitted if this clause "obligated to serve without territorial limitation" was not kept in the Act. I wanted to give that as an explanation.

Mr. HARRIS: I have two questions that I wish to ask: take the chap domiciled in Canada in World War I who served in the Imperial forces anywhere, not necessarily in a theatre of war, but who served here in the Veterans Guard or some similar organization in World War II; will he be entitled under this Act?

The CHAIRMAN: He must have served in a theatre of actual war in the first war.

Mr. HARRIS: I am asking if that is so in this particular section; it does not say so.

The WITNESS: No, it does not say so.

Mr. HARRIS: That is my impression of what was meant by that section, but I want to be sure. Am I right on that?

The WITNESS: You are.

Mr. HARRIS: What was the status of people who were called out in what you called our second battalions in this war—that is officers like colonels or adjutants or second in command, who are on full-time recruiting.

The WITNESS: If they were under G.O. 139 we would consider them as having served on active service. We have already admitted, I would say, at least half a dozen or a dozen or so—under this section, who have actually served under G.O. 139 at active service rates of pay and subsequently were recognized for purposes of ribbons and some other benefits. We have taken a broad interpretation of that.

Mr. HARRIS: I wanted that understood, because there were some deserving cases we discussed in this committee two years ago—persons who were entitled to this as the result of serving in Canada.

The WITNESS: Provided again they were called out under G.O. 139 and paid active service rates and allowances those people were entitled. We have accepted that as a yardstick. But the men who actually served in the reserve units and only for annual training purposes, the same as we have now, would not be eligible in our view.

Mr. HARRIS: I do not want to go on with this, but when you speak of active service pay I understand that these people did not get paid the same amount as men on active service, but got a dollar a day less.

Mr. CROLL: They got the same pay.

Mr. HARRIS: No, they did not get the same pay.

The CHAIRMAN: If there is a difference in pay there may be an explanation, if Mr. Harris is right.

The WITNESS: I am under the impression that the basic pay was the same. There may have been a little difference in the matter of allowances.

Mr. CRUICKSHANK: I think Mr. Harris is right.

Mr. HARRIS: Well, if it is understood that these people are still in the Act I am satisfied.

Mr. BROOKS: I was under the impression that they got the same pay.

Mr. CROLL: Who do not get the same pay?

Mr. HARRIS: The colonel of the reserve regiment who was called out did not get the same pay.

The WITNESS: If he was under G.O. 139—I do not wish to be too emphatic about that—but I am under the impression that if he was actually under G.O. 139 and was accepted or enrolled or called out as such, he would get the active service rates of pay.

Mr. HARRIS: I can show you files from people asking me to take this matter up with the defence department and get the pay.

The WITNESS: I will repeat again that if he was shown on the records as having served under G.O. 139 we would accept it.

By Mr. Herridge:

Q. Does that mean that the colonel of a reserve unit would come under this Act and the privates would not?—A. If he is called up under G.O. 139; and the same goes for the private.

Q. And if he stayed in the same locality as the privates and performed the same service?—A. If it was under G.O. 139, exactly; but he would have to be in need, too.

By Mr. Cruickshank:

Q. But the private would get pay too, would he not?—A. Definitely. It is mostly privates and N.C.O.'s we have put on—men who have served in orderly rooms as sergeants, etc. They were keeping the wheels going, as full-time men.

The CHAIRMAN: Shall section 9 carry?

Mr. LENNARD: Does that motion of mine come in under this section?

The CHAIRMAN: No, I think that would come as an amendment. Mr. Lennard gave notice of a motion this morning: "That the committee recommend that the appropriate section of the Act be amended to allow that the benefits of the War Veterans' Allowance Act be extended to veterans who served with the Imperial forces in an actual theatre of war, as defined by British pension legislation and who had no pre-war domicile, but whose period of continuous residence in Canada has reached twenty years".

That is the Imperial veteran question.

Mr. WOODS: Mr. Chairman, when the committee adjourned before lunch I was asked by several members to procure some information with respect to the War Veterans' Allowance Act of New Zealand, and equivalent legislation in South Africa and Australia. I find from the office of the High Commissioner of South Africa that only nationals of South Africa are admitted under their equivalent of the War Veterans' Allowance Act. I find with respect to New Zealand—who also call their Act after ours, the War Veterans' Allowance Act—that their domiciliary requirements with respect to people who served in the United Kingdom forces are the same as ours; that is to say, they must have been domiciled in New Zealand at the time of their enlistment in the Imperial forces.

I made a similar inquiry from the Office of the High Commissioner for Australia, but the information was not available. I asked if it became available at any time this afternoon if they would send a note to me, but I am still without information with respect to Australia.

With respect to New Zealand and South Africa it may be said that the terms require domicile in the country; those acts require domicile in New Zealand or South Africa respectively at the time the men joined United Kingdom forces. So that there is one country still to be heard from.

Mr. HARRIS: How can we consistently reject the application of the Imperial veteran who served in the first world war in a theatre of action when we allow the men under the section we have just been talking about, when they did not serve in a theatre of war provided they served in Canada in the second war?

Mr. Woods: The purpose of the dual service pension—it is true it is an exception requiring service in a theatre of actual war—but the purpose of the dual service veterans' allowance was to recognize the period of service. Because of the dual service they have spent between seven and nine years of their lives in the forces in the two wars and that was considered to be the equivalent of service in a theatre of war in one war.

Mr. BENTLEY: Mr. Chairman, it is obvious that we are not going to complete the bill this afternoon, and as it is close to 6 o'clock I move we adjourn.

Mr. LENNARD: This matter has been thoroughly discussed on several different occasions and if these members were not present that was their misfortune.

The CHAIRMAN: Before I put the motion to adjourn I wish to remind the committee that because of certain things which will engage our attention in the next few days we will not be able to meet again this week and I suggest that we adjourn to the call of the chair.

—The committee adjourned to the call of the chair.

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MINUTES OF PROCEEDINGS

TUESDAY, June 1, 1948.

The Special Committee on Veterans Affairs met at 11 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Croll, Dickey, Dion, Fulton, Gauthier (*Portneuf*), Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Lennard, MacNaught, Marshall, Mutch, Parkes, Quelch, Viau, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister, and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs; Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board; Brigadier W. A. I. Anglin, O.B.E., K.C., M.C., E.D., 3rd Vice President, and Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.; Mr. J. W. MacFarlane, Director, Old Age Pensions, Department of National Health and Welfare.

The Chairman explained that the Canadian Legion had requested an opportunity to make further representations respecting the bill to amend the War Veterans' Allowance Act.

Mr. Bentley, on behalf of the members of the Committee who had attended the Canadian Legion Convention at Saskatoon, expressed their appreciation of the courtesy and individual attention extended to them. Mr. Bentley's sentiments were concurred in by the Committee.

The Chairman was instructed to extend the thanks of the Committee to the Minister of National Defence for making a plane available for the journey to Saskatoon, and to request that he convey the appreciation of the Committee to the members of the R.C.A.F. crew for their fine service.

Brigadier Anglin was called, presented a supplementary brief on behalf of the Canadian Legion, was questioned thereon, and retired.

Mr. Herwig was recalled, questioned, and retired.

Mr. MacFarlane was recalled, questioned, and retired.

The Committee resumed consideration of Bill 196, An Act to amend The War Veterans' Allowance Act, 1946.

By leave of the Committee, Mr. Lennard amended his motion of May 18 to read as follows:

That the Committee recommend that the appropriate section of the Act be amended to allow that the benefits of the War Veterans Allowance Act be extended to veterans who served with the Imperial forces in an actual theatre of war, other than the British Isles, and who had no pre-war domicile but whose period of continuous residence in Canada has reached 20 years.

After discussion, and the question having been put on the said motion, it was negatived on the following division:

Yeas: Messrs. Bentley, Blair, Fulton, Herridge, Lennard, Marshall, Pearkes, Quelch, White (*Hastings-Peterborough*), Wright—10.

Nays: Messrs. Baker, Belzile, Benidickson, Blanchette, Croll, Dickey, Dion, Gauthier (*Portneuf*), Harris (*Grey-Bruce*), Isnor, Jutras, MacNaught, Winkler—13.

Mr. Bentley moved that Bill 196 be amended by adding a clause which would have the effect of amending paragraph (d) of section 4 of the War Veterans' Allowance Act by striking out the words *at that time* and substituting therefor the words *six or less months prior to the date*.

After discussion, and by leave of the Committee, Mr. Bentley withdrew his motion.

Mr. Bentley moved:

That the Bill be further amended by the deletion of clause 9 thereof.

After discussion, and the question having been put on the said motion, it was resolved in the affirmative.

Mr. Jutras moved:

That the Bill be further amended by the addition of the following clause:

"Paragraph (d) of section thirteen of the said Act is repealed and the following substituted therefor:

(d) any casual earnings of the recipient to the extent of sixty dollars in any year;"

Mr. Pearkes moved in amendment:

That all the words after the word *recipient* be struck out.

Discussion followed.

At 1.00 o'clock p.m. the Committee adjourned until 4.00 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 4.00 o'clock p.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blair, Blanchette, Brooks, Bryce, Croll, Dickey, Fulton, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Lennard, MacNaught, Matthews (*Kootenay East*), Mutch, Pearkes, Quelch, Skey, Viau, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister, and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs; Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board.

After further consideration of Mr. Jutras' motion, and the amendment thereto of Mr. Pearkes, and the question having been put on the said amendment, it was resolved in the affirmative.

And the question having been put on Mr. Jutras' motion, as amended, it was resolved in the affirmative.

Mr. Harris moved:

That the Committee recommend that the supplementary grant principle, as set forth in clause 8 of the bill, be dropped and the ten dollar monthly increase be incorporated in the basic rate by amendment of appropriate sections of the Act.

After discussion, and the question having been put, it was resolved in the affirmative.

Mr. Bentley moved:

That, in the opinion of this Committee, the government should give consideration to amending The War Veterans' Allowance Act, 1946, section 2, subsection (j), clause (iii), by adding:

"(c) as applied to members of the Canadian Expeditionary Force or other Canadian military forces who served only in the United Kingdom of Great Britain and Ireland".

After discussion, and the question having been put on the said motion, it was resolved in the negative on the following recorded vote:

Yeas: Messrs. Bentley, Blair, Bryce, Herridge, Lennard, Matthews, Pearkes, Quelch, Skey, White (*Hastings-Peterborough*), Winkler, Wright—12.

Nays: Messrs. Baker, Belzile, Benidickson, Blanchette, Croll, Dickey, Dion, Gauthier (*Portneuf*), Harris (*Grey-Bruce*), Isnor, Jutras, MacNaught, Viau—13.

Mr. Gunn suggested that the Bill be further amended by the insertion of an additional clause relating to penalties for misrepresentation, and was questioned.

Discussion followed.

On motion of Mr. Lennard, at 5.45 o'clock p.m. the Committee adjourned until Wednesday, June 2, at 4.00 o'clock p.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 1, 1948.

The Special Committee on Veterans Affairs met this day at 11.00 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, will you come to order please. There are one or two items which have arisen since the last meeting and which I think should be dealt with now. In the first instance I have to inform the committee that upon the return of the various members of the committee, and myself, from the Legion convention in Saskatoon, we had a communication from the secretary of the Canadian Legion requesting that following the convention the Legion have the opportunity to make some further clarifying recommendations with respect to the war veterans' allowance. The Legion asks that they may be heard before the committee reports the bill. As chairman, I was in the happy position of being able to reply to the secretary that we were not concluding our deliberations before to-day for the very good reason that our principal witnesses were still absent from the city. I intimated that the opportunity would be granted at this morning's session for further representations on the part of the Legion.

Before we get into the more formal part of the meeting I think Mr. Bentley has a resolution with respect to the convention.

Mr. BENTLEY: I have something to say in the way of an amendment.

The CHAIRMAN: I was thinking about the Department of National Defence.

Mr. BENTLEY: Oh, yes. I think I am expressing the feelings of the committee when I say that we appreciated very much the invitation which we received from the Legion to attend the convention. We appreciate the courtesy shown us there and the remarkable attention which we got individually from those with whom we came in contact. We also appreciated the invitation to attend the formal banquets and we were glad to sit in for at least the first day. We regret our inability to have spent all the time with the delegates. I think the committee will agree with me when I move that we give an expression of that appreciation.

Mr. LENNARD: I do not suppose it is in order according to the rules and regulations of the committee, but I would take a great deal of pleasure in seconding that motion. I am sure we all had a splendid time, and speaking as one from another group serving on this committee I thoroughly agree with what has been said.

Mr. HERRIDGE: I would like to support these remarks. I was able to stay until the end of the convention and was therefore more fortunate than others who were not able to spare that time. I also express thanks to the Saskatchewan ladies who entertained us so wonderfully.

Mr. CROLL: Speaking for those who could not attend I would ask whether we could be given a raincheck?

Mr. BENTLEY: I think we should include an expression of appreciation to the Minister of National Defence and to the crew of the aircraft who so expeditiously served our transportation needs.

Mr. FULTON: After hearing all this, what about an increase in the veterans' allowance?

The CHAIRMAN: I do not think it will be necessary to tender a formal written appreciation because Mr. Herwig, the secretary of the Canadian Legion is here. I hope, Mr. Herwig, that you will carry back to the Dominion Command the appreciation of the committee and those who were fortunate enough to attend the convention. I shall ask the secretary to write a note to the Minister of National Defence asking him to thank the members of the R.C.A.F. on our behalf for the very fine accommodation and service which was given on the trip.

There is one other thing which I should like to say. Following the last meeting of the committee and the general discussions and deliberations I have come to the conclusion, and I think I speak for a considerable number of the members and perhaps most of the members of the committee, that although previously in a sort of omnibus motion we dealt with the three different problems respecting war veterans' allowance, at a suitable time—not just now—I shall ask Mr. Belzile or another member of the committee to put forward a motion removing from the bill the suggestion of a supplementary allowance. I am giving this notice at the moment so that the members can be thinking about the problem. It will arise when we are in camera and are framing the report. I am not satisfied and I do not think that any member of the committee is satisfied with the distinction between the schedule and the supplementary allowance.

At the last meeting I think there was a request for some information with respect to sister members of the Commonwealth and their attitude towards war veterans' allowance. I believe Mr. Wood has a report to table with respect to that matter.

Mr. WOOD: Mr. Chairman, at the last meeting of this committee, on Tuesday May 18, at page 626 of the report, I gave evidence with respect to the domicile requirements for war veterans' allowance on the part of Imperials who served in the New Zealand forces, the South African forces, and also the Australian forces. I reported to the effect that the war veterans' allowance and its equivalent in New Zealand and South Africa required an applicant to have been domiciled in the country that pays the allowance before his enlistment. That is to say before New Zealand pays the war veterans' allowance the member who served outside of the New Zealand forces must have been domiciled in New Zealand before he is eligible for the allowance. The same thing applies with respect to South Africa. I stated at the last meeting that I had no report from Australia but I am now in receipt of a report received by the Department of External Affairs which cabled to Australia. The report says that to be eligible for the pension described—that is the War Veterans' Allowance Act—veterans who served in the Commonwealth forces other than the Australian forces must have been resident in Australia at the time of enlistment. The position is, therefore, the same with respect to those three countries.

The CHAIRMAN: I will now call on Brigadier Anglin.

Brigadier W. A. I. Anglin, O.B.E., K.C., M.C., E.D., Third Vice-President, Canadian Legion of the British Empire Service League, called:

The CHAIRMAN: The presentation this morning of the supplementary brief put forward by the Legion will be made by Brigadier Anglin whom I believe has just been elected one of the vice-presidents of the Dominion Command. Mr. Herwig needs no introduction here—he is present with us now—and we can tell our work is progressing if we are careful to note whether he is scowling or

smiling. I might say that in asking the Legion to come here this morning I pointed out that certain aspects of this legislation have already been resolved by the committee. Those of the steering committee to whom I spoke were of the view that since the ultimate decision is not made by this body but by the Governor in Council there could be no objection to a presentation of supplementary information, even in respect to matters already resolved. Through presentation of the brief and having in the record the fullest possible information it will be possible for the Governor in Council to make decisions on these matters. With respect to items not resolved we shall be happy to have whatever information can be given to assist us towards our decisions.

The WITNESS: Mr. Chairman, and honourable members: We appreciate very much this opportunity granted us to present further material which is the consensus of opinion of the convention on some matters which the Dominion Council considers to be very important and which we would like to impress upon the committee before the bill is finally reported. May I say this was my first dominion convention and I was surprised to find myself, through the fortunes of the elections, the third vice-president. Apparently the convention wished to have representation from the maritimes. I come from Saint John and I am president of the provincial command in New Brunswick. Right after the convention the Dominion Council met to consider these resolutions of which we are now speaking as the council wished to appear before you at this early date. Colonel Baxter of Winnipeg who was elected president had appointments yesterday and to-day with the government of Manitoba and it was impossible for him to be in Ottawa until next Monday. Group Captain Watts who was elected second vice-president had to go back to the west coast and as I was coming east I was asked if I would make the presentation to-day. We very much appreciate your courtesy in allowing us to be here. I should say that it is really not fair to the committee to have asked me to give the presentation because I do not know very much about it. If I do not appear to be familiar with the subject I hope I will have your indulgence. This is a brief submitted by the Dominion Council. Before reading the brief I would say that you are probably aware of the mechanics of dealing with such resolutions at our conventions. I was a member of the resolutions committee and we met five days prior to the convention sorting these things out and dealing with them. It was an enormous task. The resolutions committee submits to the convention those resolutions which they feel should be adopted and which express the consensus of the views of all the resolutions received.

CANADIAN LEGION SUPPLEMENTARY SUBMISSION TO THE
PARLIAMENTARY COMMITTEE ON VETERANS AFFAIRS
JUNE 1, 1948

CONVENTION RESOLUTIONS ON WAR VETERANS' ALLOWANCES

This submission is supplementary to the Canadian Legion Brief presented to this Committee on May 7, 1948.

The Canadian Legion has just met in Convention and this submission is made as a result of the Committee graciously acceding to a Resolution of the Convention that "Dominion Command take the necessary steps to obtain an assurance that the Committee will not draft its final report on the Bill to amend the War Veterans' Allowance Act presently before the Committee until the Canadian Legion has had an opportunity of making further representation based on decisions arrived at by the Dominion Convention of The Canadian Legion held in Saskatoon May 23-27, 1948".

At this Convention there were 744 accredited delegates, and 906 Branches of the Legion were directly or through proxies officially represented.

In some 700 resolutions submitted by Branches to the Convention the subject most frequently dealt with was the War Veterans' Allowances Act, and in this connection the Convention unanimously passed the following resolutions:

(a) *Increase in Basic Rates*

Resolved that we instruct our Dominion Command to continue to press for basic rates of \$50.00 per month for single men and \$85.00 per month for married men.

(b) *Imperial Veterans of World War 1*

Resolved that the Brief of the Canadian Legion be fully endorsed to the effect that veterans of Imperial Forces, domiciled in Canada for 20 years, be eligible for War Veterans' Allowance.

(c) *World War 1 Veterans with Service in Great Britain*

Resolved that the benefits of the War Veterans' Allowance Act be extended to Canadian veterans who served in Great Britain only for a period of 18 months or more during World War 1.

It is to be noted that the above three resolutions conform to the recommendations made in paragraphs 1, 2 and 3 of the Legion's Brief of May 7 last, except that the above Convention Resolution (c) contains the qualification of at least 18 months' service.

The Dominion Council of the Legion strongly endorses these resolutions and in its view the order of their importance and urgency is that above shown. In support thereof the Council begs to submit the following comments in addition to those made in its previous brief.

1. *Increase in Rates*

From the tenor of the resolutions in this regard forwarded to the Convention by a large number of Branches throughout Canada, and from the consensus of the Convention itself, it is clear that an increase in the allowance for the single veteran from \$30.00 to \$40.00 a month, and for the married veteran from \$60.00 to \$70.00 is definitely not considered adequate. Nothing short of an increase to \$50.00 and \$85.00 respectively would satisfy the Legion that justice and a decent living under current circumstances would be accorded those to whom the Act applies.

Statistics and cost-of-living indexes to the contrary the point we wish to make is that some branches recommended one amount and other branches other amounts, but it happens that the figures which have already been submitted in May still seem to strike an average for the whole country.

This attitude is not unreasonable. The Convention resolution proposing allowances of \$50.00 and \$85.00 strikes an average of the demands made in the resolutions from Branches. In British Columbia a man and his wife in lodgings each receive an old age pension of \$40.00 without means test, and in addition they are entitled to hospitalization, medicines, dental and nursing services. It is submitted that it is safe to assume that the Canadian public is prepared to accept that, as a resolution from Alberta stated, "a non-veteran should not receive better treatment than those who saw service."

The British Columbia delegates whom I encountered for the first time were discovered to be very forceful gentlemen and impressed upon us that we should include this latter statement in the brief.

A large number of the resolutions on this subject dealt with the plight of some 15,000 recipients of allowances who have not, or are unable to obtain, any additional income. One resolution from Quebec states that the "income from War Veterans' Allowance, without augmentation of earnings, does not provide sufficient income to avoid actual malnutrition", and recommends an allowance "equivalent to 100% pension". A resolution from Saskatchewan states that "because of age and infirmities many of such recipients are unable to take advantage of the exemption with respect to earnings."

The Dominion Council is greatly concerned—I was directed to underline those words—about an increasing number of veterans who are finding it impossible to secure any employment and must subsist solely on the allowance. Certainly in these days, the allowances provided by the Bill under consideration are quite inadequate for food and shelter alone.

It is strongly recommended that if Parliament is not prepared to accord the increases advanced by the Legion with respect to all veterans, the case of the veteran single or married without income or the ability to obtain casual earnings be dealt with in the Act by special amendment.

2. *Imperial Veterans of World War 1*

A resolution of the Convention, supported by resolutions from Branches throughout Canada, which the Dominion Council considers second only in importance to the foregoing, has to do with veterans of twenty years residence in Canada, who, although citizens and taxpayers, are precluded from the benefits of the Act because they were not domiciled in Canada prior to the outbreak of World War 1. The arguments in support of action on this resolution will be found in the Dominion Council's brief of May 7 last. The Convention was unanimously in accord with this resolution (which has been adopted at previous conventions) now being implemented in the proposed amendments to the Act.

These veterans were encouraged to settle in Canada, their service in a theatre of war enured to the benefit of Canada, and they have long since had a status in the community equal to the native born with its responsibilities and burdens. It is difficult to conceive of any reason why they should not be accorded the benefits of the Act on the same footing as other Canadian citizens. The Legion feels deeply that they have not been recognized in the Act.

3. *World War 1 Veterans with Service in Great Britain*

The Legion at this Convention reconsidered its resolutions in this regard at previous Conventions and is now prepared to accept, in conformance with the basic principle of the Act that it was intended to grant an allowance as an old age pension for those who have been prematurely aged or burnt out, that the Act should be amended to include those who served at least 18 months in Great Britain. There must be many veterans who served in a theatre of war, who were no more greatly affected by strain of battle than those who served only, and generally against their wishes, in Great Britain. The Committee is requested to refer again to the further argument made in its previous brief in connection with this submission.

Ottawa, Ontario, June 1, 1948.

I do not think I need refer to the previous brief which you have before you and the committee has probably thrashed out these matters very thoroughly. That concludes the submission which I was asked by the Dominion Council to put forward.

The CHAIRMAN: Thank you Brigadier Anglin. In accordance with what has been the practice in the committee it will be in order now for any member of the committee who desires so to do to ask questions of Brigadier Anglin for the purpose of clarifying the material which has been put before the committee.

Mr. DICKEY: I would like to refer Brigadier Anglin to page 2 of the brief with respect to the increase in the rates, and the second last paragraph in which it is stated "the Dominion Council is greatly concerned about an increasing number of veterans who are finding it impossible to secure any employment and must subsist solely on the allowance". What has been the extent of that increase, in the experience of the Dominion Council?

The WITNESS: I cannot answer that myself because I am too new to this whole thing. Perhaps Mr. Herwig can tell you.

Mr. HERWIG: I do not think I can give any figures. At the convention the different branches pointed out the difficulties that older veterans were having in obtaining jobs. There are some men at the age of 60 who can and are doing plenty of work but the majority on war veterans' allowance are having a difficult time to get any additional employment.

Mr. CROLL: That would be in the main because the men are infirm, old, and burned out? There is no lack of jobs?

Mr. HERWIG: They cannot do the job.

Mr. CROLL: That is right.

Mr. PEARKES: Is it not significant that the government has started a campaign through the Department of Veterans Affairs in order to try and get industry interested in giving these older veterans jobs? I think that points clearly to the fact that the older veteran does find it difficult to get a job in competition with younger men. I think it shows quite clearly there is an increase in the number of veterans of middle age or more who are definitely unable to get jobs.

The CHAIRMAN: If I might interrupt, you are referring of course to the Corps of Commissionaires' campaign to expand their membership.

Mr. PEARKES: That is one phase of the program but I am correct in saying the Department of Veterans Affairs is trying to encourage more general employment of older veterans.

The CHAIRMAN: It has been a matter of gratification I think that for the first time employers in Canada have been showing an awareness, not so much in finding work for the older and less capable of the veterans, but in finding suitable work for them, and there is a general campaign co-operated in by employers generally which has resulted in a very satisfactory and high rate of employment not only for chaps in the category of those who are burned out but for others. There is a most gratifying increase in the employment of pensioners and it is the intention of the government to capitalize on the awareness or willingness of industry to co-operate.

Mr. DICKEY: I wonder if Colonel Garneau could throw some light on the matter in the light of the experience of the board?

Mr. GARNEAU: I am afraid I cannot answer that question either in the light of the board's operations. We naturally deal with cases where men have no employment and they generally show either sufficient disability to be qualified under the act or they have attained an age at which they can be considered. I can add that occasionally it comes to our attention that some men around

48 and 50 years of age claim that they cannot get work and they base their requests on that inability, without having fully considered their own age or disability, and we must turn them down. We do not keep statistics, unfortunately, of that type of applicant. I do not think I can be very helpful at the moment.

The CHAIRMAN: Did you not say on one occasion here when you were discussing the increases that about 8,000 recipients would receive a grant immediately by indicating that they were below the permissible ceiling?

Mr. GARNEAU: Yes.

The CHAIRMAN: You did not indicate how many of those had nothing but the allowance?

Mr. GARNEAU: I do not think that is absolutely a fair yardstick but there would be widows, of whom we figure 90 per cent or 92 per cent would be eligible to receive the full amount, and I am sure there are about 14,000 or 15,000 veterans who would be receiving additional allowances either in full or in part due to the wording as we have framed it with respect to the supplementary allowance. Those would be individuals who are getting the maximum now permitted under the act and who have not quite reached the ceiling permitted under this clause.

The WITNESS: You would agree with our figure when we say that about 15,000 are receiving the full allowance because they are unable to obtain any additional income?

Mr. GARNEAU: I do not think it would necessarily follow because they could not get additional income. Some of them get additional income either through pensions or through employment and are still within the ceiling permitting the award of the full allowance. There is a difference between the maximum allowance and the maximum income ceiling.

Mr. HERWIG: I think I might add a little to what I said before. The Legion, of course, works on the basis of its own experience. We are fully aware of the campaign that has been conducted by the department, and we have assisted in that where we could, but we still get the case of a man who cannot get employment and wants the veterans allowance. There are so many of those, and the experience of the branches has been so consistent all throughout the country that the point you raise would be very difficult to answer except on the basis of experience.

Mr. DICKEY: That is what I want to get at.

Mr. HERRIDGE: With all due respect to the excellent work being done by the department through the Corps of Commissionaires which is very helpful in many cases particularly in the larger centres, it cannot cover the field no matter how efficiently it is operated. In the larger centres there are many who simply are unable to earn a living because of their physical condition, and particularly in the smaller centres—I am sure that the general secretary will bear me out in this—there are any number of applications from the smaller places, particularly places where the basic industries are lumbering, farming and mining. There are any numbers of men who cannot obtain any other type of employment. It is not there. There are no elevators to run, no tickets to give out, no tickets to take at theatres. I think it is the intention of the Legion in presenting the brief to point out these circumstances.

The CHAIRMAN: I should like to say a word if I may. There is one statement which intrigued me. It is on page 2. It reads:

In British Columbia a man and his wife in lodgings each would receive an old age pension of \$40 without means test.

That is new to me. We have with us Mr. MacFarlane of the Old Age Pension branch. I should like to ask him if that is the case.

MR. MACFARLANE: No; the pension itself is paid in accordance with the means test. I think the reference is to the supplementary allowance of \$10 paid without the means test.

THE CHAIRMAN: The pension itself has the means test but the province pays the supplementary \$10 without the means test.

MR. CROLL: You must understand the distinction. In Ontario you get the means test on the \$10, too. I am not talking politics. You know that.

THE CHAIRMAN: I am not interested in that aspect of it at the moment. I did want to be clear that so far as the basic pension is concerned it is subject to the means test, but the province supplements the \$10 without the means test.

THE WITNESS: Yes.

MR. BAKER: I have given this a lot of consideration. I was at the Legion convention, but it seems to me that we are getting more and more involved all the time, and that these matters will eventually have to be taken care of by the Department of National Health and Welfare. I think we are getting away from disability pensions and that sort of thing. These people have got to be taken care of but I am not at all certain as to whether the Department of Veterans Affairs is the right place for them to be taken care of. I am very much concerned about this matter, and in going through these resolutions it seems to me right straight through, including the Imperial war veterans, the same thing applies. Apparently no other country in the British Commonwealth makes any provision for war veterans allowance for people who are not domiciled in the country at the time of enlistment. Nevertheless these people must be taken care of. We all realize that the country has a responsibility. They are some of the finest people we have in the country, and their sons and grandsons have been in the services, but I still question as to whether the Department of Veterans Affairs is the right department to be taking care of these people. It seems to me it is largely a matter of a department such as the Department of National Health and Welfare. I think that is a point we should consider when we are considering the resolution. It is not that I am against this resolution in basic principle, but I am inclined to think that the Department of Veterans Affairs is not the right department to take care of these things. Disability pensions are an entirely different matter. We have dealt with those, and I think quite adequately, but I want to put my opinion on the record.

MR. LENNARD: I do not agree with Mr. Baker because we have the machinery here, and it has been set up for years. I refer to the organization headed by Colonel Garneau. I would not want it to go out from this committee that we were passing the buck to any other branch of the government. These chaps are veterans, and in many cases are burnt out, and it is the job of the Canadian government to look after them. We have the machinery already set up to do that job, and it is most certainly in the right spot.

MR. HERRIDGE: I also disagree with Mr. Baker. I think the sound argument is that national defence is a national responsibility, and that therefore those who suffered disability as a result of defending this country, or have suffered premature aging, must also be accepted as a national responsibility.

MR. BAKER: I must straighten out my point. I said that these people should be taken care of. I stressed that point very clearly, but I say I am not at all certain as to whether the Department of Veterans Affairs is the right place. I think the Department of National Health and Welfare is the more correct department to have it come under. I certainly think they should be taken care of.

Mr. QUELCH: Mr. Chairman, a good deal is made of the fact no other nation is doing a certain thing. Of course, if all nations are going to take that attitude we will never have any progress made. Some nation must accept the initiative for taking the first step to improve conditions. I think we should be very proud that we were the first nation to give leadership on this matter.

Regarding the question of whether or not veterans should be dealt with under the War Veterans Allowance Act or under some form of social welfare legislation I think we must remember one thing especially in regard to World War I. Many veterans never became properly re-established under the legislation of that day. That was recognized in the depression years. I would refer especially to those men who settled under the land settlement scheme. You have only got to read the figures of the number who settled under that, and the number who had to give up their land in later years to realize that by the time many of these men had to throw up their land they were becoming aged. They had not been trained, and they were only able to accept jobs as unskilled labourers. First of all they settled the land, and they had not been trained for anything else. They were not in a position to take up a skilled job. Therefore these men were some of the worst casualties of the first war. Many of them were in the ranks of the unemployed during the 30's. A lot of those men are men we are having to help under the War Veterans Allowance Act today. Therefore it is not very fair to say it is the responsibility of social legislation rather than soldier legislation, because they are casualties of the first war.

The CHAIRMAN: As usual I find that I am going to take my stand a little to the left of Mr. Baker and a trifle to the right of Mr. Quelch.

Mr. HARRIS: Who cares?

Mr. CROLL: In the middle always.

The CHAIRMAN: Someone says who cares. Well, I do, and I will clarify this at your expense and you will have to take it for a moment or two. There can be no doubt in dealing with this matter that no legislation which begins now and looks to the ultimate future can take care of the man who is today aged or prematurely aged. On the other hand I think there is reason for hope, and I think there should be an expectation on the part of all Canadians, not only this committee but all Canadians, that within the 20 years which will inevitably lapse before the great majority of needs develop as a result of the second war, that the social legislation in this country will advance sufficiently that those persons who are not disabled to the point of being pensionable as a result of their service may be taken care of in the general plan. That should be the objective of not only veterans organizations but all Canadians generally. However, one cannot resolve that at this moment. If there are any further questions that anyone desires to ask of the representatives of the Legion now is the time to do so. I suggest that we stick to that for the moment in order that we may release them, and then continue our deliberations. We had a motion before us when the committee rose last time, and when we are finished with these gentlemen we will proceed from there.

Mr. BENTLEY: I am not going to ask a question, but I am going to take the opportunity of supporting Mr. Herridge and Mr. Quelch and to some extent yourself. I am not unmindful of the difficulties expressed by Mr. Baker in this matter, but again the fact remains that we can only deal with veterans affairs. We are not dealing with health and welfare. We have an immediate problem before us. We have people who cannot wait until we go through all the processes of parliamentary work in order to include everybody. As has been said before these people are the ones who have shown their desire to do to the utmost everything this country requires.

I want to go a little bit further in regard to the matter Mr. Quelch brought up about soldier settlers of the first world war. A good many of those chaps came over here without any great training for farming. They had a lot of

courage, the same kind of courage they displayed on the battlefield, when they took that job on. Many of them struggled for a good many years against great difficulties in order to try to get their soldier settlers loans paid up and become actual farm owners. In the doing of that they added to whatever disabilities they may have suffered that were unpensionable but were there. They added to that in the struggle they underwent in trying to establish themselves as soldier settlers. When they got to middle age and finally were not able to continue, and had to liquidate their debt to the soldier settlement board, they signed a quit claim deed, or for some reason or other they had to give up and they had reached an age when they could not learn a new job. They had no other skills. An agricultural labourer is not highly paid, and they had all the disabilities that came from the war as well as the disabilities suffered in that struggle. As Mr. Herridge says those people are not likely to get jobs as elevator men or door men or whatever it is that the Corps of Commissionaires may be able to find for them.

These people cannot wait until such time as we are able to get legislation that will take in over-all social security for Canadian citizens.

Another point to be remembered is that while it might be a health and welfare measure ultimately the money is going to come out of the consolidated revenue fund of Canada, and if we are going to start to give these people the assistance they need what difference does it make what department it comes from? We are dealing with the Department of Veterans Affairs. I believe we are justified in supporting the things that the Legion has recommended for these men.

The CHAIRMAN: Is there any further desire to ask questions of the delegation?

Mr. BAKER: There is one point I want to bring up in order to make my position clear. At page 3 you deal with World War I veterans with service in Great Britain, and you say:

The Legion at this convention reconsidered its resolutions in this regard at previous conventions and is now prepared to accept, in conformance with the basic principle of the Act that it was intended to grant an allowance as an old age pension for those who have been prematurely aged or burnt out.

Then the paragraph goes on to deal with the number of veterans concerned. There is a principle laid down there and I think in the long run it will be better for all those veterans and for everybody concerned if they are taken in under the Department of National Health and Welfare. Then if there are any increases needed or anything of that sort it will be automatically done straight across the country. I think social security measures are advancing and have got to advance still further. That is my contention. I must make that quite clear. I want these people to be taken care of, but I am not convinced in my own mind that the Department of Veterans Affairs is the proper place for it. I may be wrong, but I want to make my position quite clear.

The CHAIRMAN: Gentlemen, I think we have carried on this discussion long enough.

Mr. LENNARD: We could go on for another hour and get no further.

The CHAIRMAN: If there are no further questions then I want to—

Mr. GAUTHIER: Yes, there is. I hold in my hands two documents. One is the brief put forward this morning by the Canadian Legion. The other one is a Canadian press release from the *Ottawa Journal* of Friday, May 28, 1948. It pertains to the fiery discussion held at the last convention at Saskatoon about the N.R.M.A. I see by the report that some are against the admission of the N.R.M.A. personnel and some are in favour. I note that Major General

C. D. Price of Montreal was in favour of allowing N.R.M.A. personnel into the Legion. If this discrimination against the N.R.M.A. men does not stop I am telling you, Mr. Chairman, that I will not give one vote in favour of any request of any kind made by the Canadian Legion. This discrimination has to stop. There are arguments in favour of taking them into the Legion as well as arguments against their admission, but this discrimination is not an example of humanity in Canada. These men may have been drafted but they answered the law of their country, and some have seen battle. I say that the Legion is absolutely illogical when, after having refused the admission of the N.R.M.A. men to the Legion, they ask for compulsory military training of Canadian youth in reserve forces, and for legislative curbs against communism. If we conscript men now the doors of the Legion would be closed to those men who might be drafted in the future. That is absolutely illogical and I am repeating I will not give one vote in favour of any demand of the Legion if this discrimination does not stop.

The CHAIRMAN: Gentlemen, that again leads us down a pathway that we cannot resolve ourselves. I hesitated to interrupt Mr. Gauthier because he has the opportunity to make his views known to the representative of the Legion here. Having some knowledge of the deliberations which lie back of these decisions, and the degree to which the leadership of the Legion generally has urged the removal of the discrimination against which you protest, unsuccessfully with the rank and file so far, I am quite sure your remarks will fall on sympathetic ears.

Mr. BENTLEY: I have another question I want to bring up in regard to the last section of the brief. I want to point out that I object to their statement where they want an amendment to include those who have served at least eighteen months in Great Britain. If Great Britain is going to be a theatre of war then the number of months or minutes do not actually count. This strikes me as a rather weak compromise for some kind of argument that must have taken place. Why is it eighteen months? That means that a man who served seventeen months and twenty-nine days is out, and a man with eighteen months and one day is in. I do not like that. I do not know why the Legion did it, but as I say I think it was a rather weak compromise on a lot of arguments that must have been made. I do not think it is justified at all. If Great Britain is going to be declared a theatre of war then it is a theatre of war. I know one fellow who had five wound stripes and he never saw a front line trench. I do not suppose he spent more than three months altogether in France, but he was wounded on the way up every time or in support or reserve. If you are going to use that kind of argument then that fellow would be out. I do not think the argument is justifiable. If there was danger of deterioration, if there was a sacrifice in being in Great Britain then there was sacrifice for all whether they were there twelve months, eighteen months, nine months or ten months. I object to that kind of thing in this. I am saying that in all kindness, but I want the witnesses to know that because I am a pretty good Legion man. I drink beer with the boys and attend their meetings and take an active part in those kind of things, but I do not think this was a very good compromise to arrive at.

Mr. HERWIG: I should like to say that I think that in soldier parlance this has reference to those fellows who were on a Cook's tour. That term was applied to officers but it could apply to the rank and file who only had a couple of months service in England. That is what they had primarily in mind. Perhaps it was too much to bring these men into the picture. Otherwise your remarks are quite proper, I think.

Mr. QUELCH: It seems to me that the present legislation and the amendment would debar certain men who unquestionably should be eligible under the War Veterans Allowance Act. I have in mind men who left Canada, went overseas,

enlisted in the British army, served in an actual theatre of war maybe for three or four years, and then transferred to the Canadian army and from then on only served in England. They are not eligible under the present legislation; they are not eligible under this amendment because in some cases they had been in England only for six months.

Mr. CROLL: They are.

Mr. HARRIS: They are eligible for having been domiciled in Canada.

Mr. QUELCH: Yes, but many of these men went from Canada and it has been declared they were not domiciled in Canada. I have several cases on hand now of men who apparently left Canada. Many sold out their estates in Canada and went to England six months before the war started, maybe bought property in England or anyway lost their domicile, enlisted in the British army, served in a theatre of war for three or four years, and then transferred to the Canadian army. After they transferred to the Canadian army their service was in England maybe only for six months. I have one case at hand where he had 12 months service in England. That man had over three years front line service. He is debarred from the benefits of the Act because he had lost his domicile apparently, and he had only had service in England in the Canadian army. His active service was in the British army. Surely that man should be eligible and yet he is not eligible for any benefits at all.

The CHAIRMAN: Under the Act domicile would leave him out.

Mr. QUELCH: Yes.

Mr. GARNEAU: On that point I should like to make it clear that in the case of a Canadian born citizen who had gone to England—I think I mentioned this before in reply to General Pearkes—either to establish in business or for some other reason, and did not actually sever his domicile in Canada, but took the opportunity of enlisting shortly after his arrival there or on the outbreak of hostilities, the board would take a fairly broad view that that veteran would not have lost his domicile in Canada, unless he was clearly a case such as you have mentioned where he would have sold out here or severed all his interests for a year or so before or maybe a few months, when there was no question of war, and he only enlisted some two or three years later, and had established himself definitely in England with the intention of residing there, as was explained by Mr. Rappel here when he gave his memorandum on domicile. I would say these cases are very carefully studied by the board in order to avoid any possibility of doing injustice, but if the case is clear-cut, of course—

Mr. QUELCH: Would you say where a man has been allowed to transfer from the British army to the Canadian army that in itself should be proof he had not lost his domicile? How could he be accepted in the Canadian army?

Mr. GARNEAU: I would not want to answer that offhand, but it certainly would be an aspect that would be given the fullest consideration by the board, and that coupled with the acts he would have committed before leaving, selling out and everything, if he had severed entirely all his connections here for three or four years before the war we would have to weigh that, I presume, with respect to his re-entering the Canadian army after serving with the British army. I admit that it would be a very difficult decision to arrive at, but we would try to give it the most sympathetic consideration. That is not answering your question directly, but it is a hypothetical question.

Mr. QUELCH: I had a letter referred to me two days ago where the writer quoted from the officials of the War Veterans Allowance Board to the effect he is not eligible because he was not domiciled in Canada. The British people have refused to accept any responsibility for him on the ground he joined the Canadian army and therefore it was their responsibility. I say the fact he had

transferred from the British army to the Canadian army should have established his domicile. Otherwise why did the Canadian army accept him while in England?

Mr. GARNEAU: There might be an argument there. Would you kindly let me have that case so that I can look at it personally?

The CHAIRMAN: I would suggest with respect to these individual cases that would be the most helpful way to deal with them.

Mr. QUELCH: Yes. It was the principle I wanted to bring out.

The CHAIRMAN: I am now in the position not of coaxing questions but of giving everybody the fullest opportunity while the representatives of the Legion are here. If you are through—

Mr. BLAIR: There is one point I wish to bring up. I think we are writing something contentious into it when we set a time limit. If a man was in England for one year and 11 months he might be just as eligible for it as a man who was there for 18 months.

The CHAIRMAN: To be quite frank this is really aimed at the draftees, is it not?

Mr. BLAIR: The point I wish to make is that in the first war we had a battalion recruiting system, and the major part of the training was done in England. Every battalion left a residue of unfit men in England. They were placed on jobs. It was not their fault. They were all volunteers. Many of them carried out quite useful work and took the place of fit men in England. It was not their fault. They arrived over there with a disability which broke down under active training in England, so that you had a pool in England of what were at that time rated as P.B. or permanent base men, men who had disabilities, men with good service in England. I think those are the men who should receive consideration under this Act, and while I am in favour of anything that is proposed by the Legion in the matter of any recommendation, because I think they are in a position to know, yet I feel that the provision of 18 months is going to mean an awful lot of trouble for the people who administer the Act.

Mr. HERWIG: I think we would be very happy to amend it.

The CHAIRMAN: After all the Legion have been most considerate of us. They do not try to write our legislation. They do tell us what they think we ought to do occasionally. If they approve of it they have not been unappreciative. The only time they are really unappreciative is when we negate it. Brigadier Anglin, you have sensed, I believe, from the questions of the committee both the regard in which your organization is held, and the depth of interest and study which the members of the committee give to your recommendations. I think you are to be congratulated that in coming before us to make a second appearance you have not in any sense transgressed the courtesy of the committee in that you have not introduced new contentious matter. I can assure you, sir, and through you the Legion, that its representations will in the deliberations of the committee, as they have in the past, receive our earnest consideration. That is a phrase which in parliamentary circles has fallen into some disrepute, but we are not a very parliamentary committee, and when we say that we mean what we say.

Mr. CROLL: May I say one word? I hesitated to do so a moment ago, but I want to say something just because Brigadier Anglin is new on the job. I know something of Brigadier Anglin. I know he should be influential in the councils of the Legion. Mr. Herwig knows this only too well. As to what Mr. Gauthier said I do not go along with him on the sanction part of it, but at the same time I want you to know, and I believe it is fair to say that there is a feeling in this committee, and an overwhelming feeling, that the

N.R.M.A. personnel have been kept out of the Legion too long. The feeling is that they ought to be dealt with in the same way that other men were dealt with who complied with the laws of the country as the laws were laid down and applied. I wanted you to have that feeling from the members from two provinces at least, and I think it is the general feeling. I want you to carry that away for the council table.

The WITNESS: May I say that personally I entirely agree with that view. As you know General Price, our past president, does as well, and as you suggest we will continue to attempt to lead. The opposition seems to come from the younger World War II veterans. It was a fairly close vote, but I would like you to know that I personally feel that the day is long since past when the Legion should certainly have taken that attitude, and I can sympathize with your views.

While I am on my feet may I thank you for the very gracious hearing you have given us, and also say how flattered we feel that the committee took the time to come and visit us at the Legion. I am sure I am not taking too much on myself when I invite you gentlemen to the next convention, not only those who were there, but those who took rain checks. We would be very happy indeed, and I think it serves a very useful purpose because in some instances you quite frankly told us we could not have what we wanted, and so we backed down on it.

The CHAIRMAN: Gentlemen, when the committee rose at our last meeting a week ago last Tuesday we were considering a motion by Mr. Lennard.

Mr. LENNARD: It has been brought to my attention that there is no definition in the British legislation defining "theatre of war." I would therefore like to change this motion that I made the other day by striking out "as defined by British pension legislation", and insert "other than the British Isles."

Mr. CROLL: Read the whole thing.

Mr. LENNARD:

That the committee recommend that the appropriate section of the Act be amended to allow that the benefits of the War Veterans Allowance Act be extended to veterans who served with the Imperial forces in an actual theatre of war other than the British Isles, and who had no pre-war domicile but whose period of continuous residence in Canada has reached twenty years.

That, Mr. Chairman, is the revised motion.

The CHAIRMAN: Does the committee accept the amendment to the motion?

Mr. HARRIS: What is the point? If you are dealing with an actual theatre of war you are using our definition, not the British one surely.

Mr. LENNARD: I may say as far as the Imperial veterans are concerned they are not asking assistance for any Imperial veteran who did not serve in an actual theatre of war outside the British Isles. That is their definition.

Mr. HARRIS: I realize that, but actually a theatre of war, according to our Act, does not include the British Isles.

Mr. LENNARD: It could include it as far as the Imperial veterans are concerned if they were given any allowances under the War Veterans Allowance Act.

The CHAIRMAN: Excuse me; is this not the point, that you originally sought to do what, in fact, the Imperial veterans asked for, that is, give them credit here for battle service?

Mr. LENNARD: Yes.

The CHAIRMAN: But you were under the impression, as I think many of us were, that in Great Britain a man had to leave the British Isles in order to have had battle service within the meaning of their pension legislation. Now we discover—

Mr. HARRIS: So he does under ours.

The CHAIRMAN: So we discover now in point of fact that is not so. I think there is a desire to be consistent. There is also a recommendation before the committee that we make England a theatre of war in the first war. If that happens then the Englishman who served in his own backyard might be said to be eligible. I think Mr. Lennard was attempting to avoid that.

Mr. LENNARD: Yes.

The CHAIRMAN: If the amendment as suggested does meet with the approval of the committee then we can proceed with the motion. Those in favour of allowing the amendment to the motion?

Mr. DICKEY: I think Mr. Harris' point is well taken. I think our own definition of actual theatre of war would govern but there is a subsidiary point. What will be the position if the committee recommends that Canadian veterans who served for 18 months in England are eligible? Are Imperial veterans who served 18 months in their own country to be eligible?

The CHAIRMAN: I think that is what Mr. Lennard is seeking to avoid. They have not asked for it. We have not asked yet that a Canadian in the first war who served in Canada only should be eligible for war veterans allowance. I said "yet" advisedly, but until that situation arises it certainly would be manifestly ridiculous that an Englishman who served in his own country throughout the whole of the service should be in a preferred position over a Canadian who served in the coast defence in Halifax during the war. However, I think the intent of the resolution is clear, and if the committee carries the resolution and the government in its wisdom or lack of it proceeds to implement it, I think we can rely on the law officers of the Crown in the actual drafting of the amendment to see that the intention of the committee is carried out. The question is on Mr. Lennard's—

Mr. HARRIS: Just a minute; I do not want to be technical at all about this because I know that Mr. Lennard is trying to have the matter as restricted as it can be, but I would think under your resolution the way it is drafted if an Imperial had been sent to Canada for training purposes he would become entitled to war veterans allowance.

Mr. LENNARD: I would not think so. I do not agree with Mr. Harris. Canada most certainly was not a theatre of war in the first great war.

Mr. HARRIS: How do you know that unless you read the British legislation? The way you are trying to do it comes down to the British definition.

Mr. LENNARD: No, I have changed it. I have altered the resolution.

Mr. HARRIS: To read "actual theatre of war outside the British Isles." That is what your definition is. How do we know according to your definition what an actual theatre of war is outside the British Isles?

The CHAIRMAN: For an Englishman.

Mr. HARRIS: Right, or for a Canadian for that matter. You are talking about Imperials. What was the actual theatre of war outside the British Isles which you have in mind?

Mr. LENNARD: It is not defined; there is no British legislation defining it.

Mr. HARRIS: All right. Then how about the Englishman who leaves England and comes to Canada? Who is to make the decision as to that?

Mr. LENNARD: Our own law officers.

Mr. HARRIS: All right.

The CHAIRMAN: Gentlemen, you have a motion of Mr. Lennard before you. Is there any further discussion? If there is no further discussion I will put the question.

Mr. CROLL: Read it, Mr. Chairman.

The CHAIRMAN: The motion as it now reads it:

That the committee recommend that the appropriate section of the Act be amended to allow that the benefits of the War Veterans Allowance Act be extended to veterans who served with the Imperial forces in an actual theatre of war other than the British Isles, and who had no pre-war domicile but whose period of continued residence in Canada has reached 20 years.

Mr. QUELCH: Could you not have it read, "theatre of war as defined under Canadian law," to avoid the point brought up by Mr. Harris?

Mr. LENNARD: If under Canadian law England is considered a theatre of war that is not what the Imperial veterans are asking for. They do not ask us to go that far.

Mr. QUELCH: Of course, at the present time that is not the law in Canada.

Mr. LENNARD: If we change that then we would be in that position.

The CHAIRMAN: We would be in the invidious position of denying something to a Canadian.

Mr. MACNAUGHT: I would suggest when that occasion arises would be the time to deal with Mr. Lennard's objection. You are getting into a very ambiguous definition. We have the words defined on our own Act. Then you are dragging in "in an actual theatre of war but not including the British Isles," and it does not include the British Isles at the moment, so that the latter part of Mr. Lennard's definition is superfluous at the moment.

Mr. LENNARD: I do not quite agree with that. I do not see why Imperial veterans as defined in this recommendation cannot be restricted to that. I do not see why there is anything ambiguous about it at all.

Mr. MACNAUGHT: Not ambiguous, superfluous.

Mr. LENNARD: Well, superfluous, whatever you wish to call it. I do not agree with that point at all. It is very clear as far as I am concerned that it is the Imperial veteran who served in an actual theatre of war. Our Imperial veterans feel those who served in an actual theatre of war should receive some entitlement, and by limiting it to those who served in France it is going to be controlled. There will not be thousands coming under it.

The CHAIRMAN: The first matter is to see if Mr. Lennard has permission to amend his motion. Those in favour of that? Contrary if any? Carried. Is there any further discussion on the main motion?

Mr. DICKEY: I wanted to say a word in support of the general principle behind Mr. Baker's earlier statement, and I considered that it was perhaps not the proper time, that it should be discussed on this motion. First of all I should like to draw attention to one point Mr. Quelch made. He mentioned the fact that people had been pointing to the practice in other countries and suggested the possibility that was a bad procedure as it might prevent some progress in veterans legislation. I think, Mr. Chairman, that with the record of this country and this committee in giving leadership on veterans legislation we do not have to worry about anything of that kind. I think the important consideration in paying attention to what is being done in other countries is the question of the principle involved. Certainly unanimous acceptance of the principle is a very good test of its validity. We have looked at the legislation provisions

in other countries and we can get some idea of the value of the principle and my sole point in rising on this question is to draw to the attention of the committee the principles that are here involved. No one is unappreciative of the service of Imperial veterans and nobody is anxious to see them get anything but the greatest consideration. However, we have throughout our veterans' legislation accepted a certain principle and it is the principle that our first and full responsibility is to Canadian veterans and to veterans who joined other than our own services or the Imperial services who were previously domiciled in Canada. That principle is fundamental in the Veterans Land Act, the War Veterans Insurance Act, the Veterans Rehabilitation Act, the War Service Grants Act, and the Returned Soldiers Insurance Act. All those acts adhere to the principle. If it is a good principle I think it should be applied here and if it is a bad principle with respect to war veterans' allowance we should reject it, and I think we can quite properly consider whether it is a good principle to apply. I would suggest to the committee that the principle be kept in mind and a good deal of thought should be given to that aspect of the question, quite apart from our natural sympathy and desire to do everything possible for any veteran who through service has received some hardship whether it be actual injury or the expending of his health or ability to do work. The other principle involved is the principle of what constitutes an actual theatre of war and I think the argument that has gone on with respect to the 18 months shows the fundamental nature of the principle. If we are going to decide that Great Britain was a theatre of war I think we will have to decide it was a theatre of war not simply as a result of whether somebody has been there 18 months. If we are going to accept the principle that it is a theatre of war and that a Canadian who served there became burnt out, then I think we will have to consider the situation of the Imperial veteran who served in Great Britain.

The CHAIRMAN: Are you ready for the question? Those in favour of Mr. Lennard's motion would you like it read?

Mr. HERRIDGE: Yes.

The CHAIRMAN: The motion reads: "That the committee recommend that the appropriate section of the act be amended to allow that the benefits of the War Veterans' Allowance Act be extended to veterans who served with the Imperial forces in actual theatre of war other than the British Isles and who had no pre-war domicile but whose period of continuous residence in Canada has reached twenty years".

Those in favour? Against?

I declare the motion lost.

Mr. LENNARD: I would like to have a recorded vote.

The CHAIRMAN: The vote will be recorded on request of Mr. Lennard.

(Vote recorded.)

Mr. FULTON: What was the result?

The CHAIRMAN: Ten in favour, thirteen opposed.

Mr. BENTLEY: Is another motion dealing with the same matter in order?

The CHAIRMAN: Not another motion on the same matter.

Mr. BENTLEY: I am dealing with now the case of those British or Canadians who lived in Canada prior to World War I but sometime shortly before the war was declared went overseas. Some of them were in reserve regiments over there and others heard the call of the mother country and left Canada before the actual declaration of war in order to join the forces of their own country. Some went to other countries, our allies, and did the same thing. It has been my feeling people who had been resident in Canada for perhaps a good number of years and then,

within a few months of the declaration of war, had done just what I have outlined, should come under the War Veterans' Allowance Act. I am going to move therefore that under part I of the War Veterans' Allowance Act, section 4, subsection (d) should be amended by striking out the words "at the time" in the third line of paragraph (d), and substituting therefor the words "six or less months prior to that date". I consider that anyone who left here at that time and went overseas because war in his mind, was imminent, or who was required by reason of being a reservist to go, within six months of the declaration of war—and that would be mean he was not leaving Canada for domicile somewhere else but actually he went to join the forces—should be eligible under War Veterans' Allowance Act.

The CHAIRMAN: It is a different motion which you are suggesting and it is receivable. However, I think I should point out before I put the motion, Mr. Bentley, that I am told by the chairman of the board that at the present time the position of the reservist is clear. The practice of the board, and my understanding of it is that domicile in Canada as recent as that indicated by your amendment is already treated by the War Veterans' Allowance Board as being within the terms which make the act applicable. I had better read the motion and then ask the chairman to make it clear. I think, however, that you are asking for something which is already in existence. The recommendation is that part I, section 4, paragraph (d) of the act be amended by striking out the words "at the time" and substituting therefor the words "six or less months prior to that date". I might point out the amendment does put a limitation on the situation which is not presently written into the act, but I think that we had better have a comment from the chairman of the board.

Mr. GARNEAU: I would like to know if we have slipped in any instances but it has been the practice of the board to automatically recognize Canadian domicile in the case of a reservist who was under specific orders to return to his station in England. That is one of the points which has been considered as implied proof that the individual was under compulsion to leave Canada. We have gone further in order to help some of the fellows establish that domicile. Mr. Woods would recall these instances but we have tried to contact past employers of the veteran, his employer prior to leaving for England, together with other people who knew him in the place where he was living. We have tried to obtain evidence that the veteran had left his tools, or that he had left word with his landlady that he was coming back and that he had left things which would imply an intention to return. That sort of evidence is sufficient for us to lean on in the veterans favour in the interpretation of the word "domicile". Perhaps we have appeared to be a little strict in cases where a man has left the country a year before or even four or five months before the declaration of war where we generally feel there is sufficient evidence of his intention to leave Canada for some other purpose and not to come back. We have explored every possible avenue—we do so through our investigators—in order to try and establish the situation. In the case of the reservists we have asked the consulates, and we have checked the dates of sailings of ships, just to establish that a man had complied with orders from the war office.

Mr. BENTLEY: I would thank Colonel Garneau for that explanation and I would request permission to withdraw the motion because I would not like to put the new limitation on it. I have had one or two cases brought to my attention but in future, after the Colonel's explanation I will take those up directly with the board.

The CHAIRMAN: Thank you, Mr. Bentley, I was about to point out that I felt we would be putting a limitation on the board. Shall Mr. Bentley have the consent of the committee to withdraw his motion?

Agreed.

We have before us notice of one or two other matters. We had a notice of motion from the committee the other day with respect to clause 9. When the committee rose we had concluded clause 8 although it stood and there was a notice with respect to clause 9, section 13 of the said act as repealed. That is the section which repeals the clause on casual earnings. The question was raised in the committee by Mr. Lennard and it was spoken to by Mr. Jutras and other members of the committee. We were discussing the will of the committee with respect to leaving some margin for casual earnings in order that we should not put a premium on dishonesty for matters of small change. I think that is where we left off. Is there any further discussion with respect to clause 9?

Mr. BENTLEY: Yes, I have an amendment. The amendment means what it says, it is moved by myself and seconded by Mr. Wright. It is "that the government should give consideration to amending Bill 196, an act to amend the War Veterans' Allowance Act of 1946, by deleting section 9 thereof."

The CHAIRMAN: We do not need a seconder in the committee, Mr. Bentley, and your motion is that the committee recommend that paragraph 9 be deleted from Bill 196—clause 9 is the paragraph which leaves the sum of \$125 casual earnings.

Mr. JUTRAS: I have an amendment to the motion and I believe it is one of which there was some view given by Mr. White a few weeks ago. Mr. White expressed the intention of deleting section 9 of this bill and I pointed out by deleting section 9—

Mr. LENNARD: Order, order, please, Mr. Chairman. How can *Hansard* take down anything with everyone talking?

Mr. JUTRAS: I am convinced that in so doing we do not do what we intend to do because in one way you are closing the door entirely to casual earnings and every cent earned by the war veterans' allowance recipient will have to be taken into consideration by the commissioner. If you read the explanation on the opposite page, regarding section 9, it says "earnings will hereafter be considered as part of the new permissive income." Consequently instead of simplifying the situation it is my belief that you complicate the situation. Furthermore, by deleting the section entirely you increase the difficulties of administration. I am quite sure that the commissioners will be investigating even more than they do now. The suggestion I made the last time, to obviate that difficulty, was to leave a nominal amount in the section. I do not suggest deleting it entirely nor leaving \$125 because there is some objection to \$125. As I pointed out the sum of \$125 places the commissioners in the position of having to segregate casual earnings and regular earnings and it also places the war veterans' allowance recipient in the same position. On the other hand, if we do change the amount to a nominal sum, say \$5 a month or \$60 a year, then it would enable the commissioner to more or less let the war veterans' allowance recipient have the benefit of the doubt when earning small amounts each month, without having to go through an investigation of every last cent. I think it would serve the purpose and meet the intent of everyone here, and the administration, if you left a nominal amount of \$60 in the section, and I would so move.

Mr. BENTLEY: Before you do that I would like to say a word.

The CHAIRMAN: I would like to get that motion again?

Mr. JUTRAS: I would move that Bill 196 be further amended by the addition of the following clause "that paragraph (d) of section 13 of the said act is repealed and the following substituted therefor—(d) any casual earnings of the recipient to the extent of sixty dollars in any year".

Mr. LENNARD: That would make a farce of the whole thing.

Mr. BENTLEY: I am pretty sure the legal profession will have some fun because neither Mr. Jutras nor I are lawyers and we will be trying to argue

the merits of an act when we do not have proper legal training. However, I think I understood his argument and I do not think it is very sound. First his argument was against the \$125 being incorporated in the total amount of other income that the recipient might have.

Mr. JUTRAS: Permissive income.

Mr. BENTLEY: Yes. He suggests by leaving section 9 that it confuses the act which reads "any casual earnings of the recipient to the extent of \$125 in any year". Then Mr. Jutras proceeds to suggest that we change the amount to \$60. Whether you have \$5 or \$125 or \$60 would not seem to change the effect of the argument if it were sound.

Mr. JUTRAS: I did not fully appreciate the intent of your motion. Was it to delete paragraph 9 in this bill?

Mr. BENTLEY: Yes.

Mr. JUTRAS: In other words you would still keep the casual earnings to \$125?

Mr. BENTLEY: Yes. I want to see \$250 as permissive income under section 4 of the bill and then I do not want to see the casual earnings of \$125 struck out of the act, which would be the effect of carrying section 9 of this bill.

The CHAIRMAN: Yes, I understand.

Mr. BENTLEY: I believe we should have the \$250 plus the permission, if they have the ability, for them to earn another \$125 if they can.

Mr. PEARKES: What is the point of having the \$125 there at all? Why not let the veteran go out and earn all the casual earnings he can?

Mr. BENTLEY: I would support a motion along those lines.

Mr. PEARKES: It seems to me that you have in section 13 "no deduction shall be made from any allowance by reason of—(d)—any casual earnings of the recipient—" and I would stop there.

The CHAIRMAN: The motion is to reject clause 9 of Bill 196 and that motion is moved by Mr. Bentley. He moves that Bill 196 be further amended by the deletion of clause 9.

Mr. MACNAUGHT: Is not the motion out of order?

Mr. CROLL: Certainly.

Mr. QUELCH: It can be a recommendation.

The CHAIRMAN: The procedure seems to me to be that the amendment as such is out of order but we have received motions of that kind. If the motion is carried it will be put forward in the form of a recommendation. We have not got the power to amend the legislation but the motion is that the committee recommend that Bill 196 be further amended—

Mr. BENTLEY: That is the way my motion reads.

The CHAIRMAN: Yes, and I understand that of course as a resolution of the committee is in order.

Mr. HARRIS: It is not in order. If he wants section 9 to be deleted all he does is to vote against it when you call the section.

Mr. QUELCH: It has been called and voted upon.

The CHAIRMAN: The section is standing. Mr. Harris is correct, it does not require a motion to delete the clause. All that is necessary is to vote it down.

Mr. BENTLEY: I will not argue about the point of order. I have put my views forward and I hope they will be supported.

The CHAIRMAN: Perhaps in this instance it would be in order if the chairman called clause 9. Those in favour—

Mr. FULTON: With respect I do not think the procedure as suggested by Mr. Harris and Mr. Croll will achieve the result desired by Mr. Bentley, because surely the very point which they have raised applies against them. This committee cannot, as it has been frequently said, amend the bill. The committee can only recommend an amendment and if we vote against it we seek to amend the bill by deleting clause 9 when all we can do is to recommend to the government when it submits this bill to the House that clause 9 be deleted.

The CHAIRMAN: It is a motion, and I have admitted the motion.

Mr. FULTON: I think we will have to do it in Mr. Bentley's way rather than in the way in which Mr. Harris and Mr. Croll have suggested.

Mr. BENTLEY: Instinct led me along the right line.

Mr. CROLL: Instinct is not good enough.

The CHAIRMAN: Not being a barrister I must rely somewhat on common sense.

Mr. LENNARD: That is not to your discredit.

Mr. CROLL: It will not get you far.

The CHAIRMAN: I think we can amend the bill as long as it does not involve further expenditure. It is debatable whether this clause does that but we reach some point where the committee may divide itself on the motion by Mr. Bentley, and there is also opportunity for the amendment which I understand that Mr. Jutras moved.

Mr. JUTRAS: I do not know exactly whether my amendment can be moved to the motion by Mr. Bentley because he is simply moving that we strike out clause 9. My motion would be to change, if section 9 is struck out, paragraph 13 of the act.

The CHAIRMAN: I am in the position of having to do one of two things. I can either call clause 9 and the committee may divide on that or I may accept the motion which in my view does exactly the same thing. If I get in trouble you can tell me afterwards. The vote then is on—

Mr. PEARKES: Before you put the question to a vote I would like to call attention to what I said before and if it is not appropriate at this time I certainly will move an amendment to Mr. Jutras' amendment to the effect that all the words after the word "recipient" in clause (d) of section 13 of part 4 be deleted.

The CHAIRMAN: That amendment would be in order at a later time.

Mr. JUTRAS: Your sub-amendment in other words would knock off all casual earnings?

Mr. PEARKES: No, it would allow all casual earnings without putting any limitation of \$60 or \$120 or anything. I would delete all words after the word "recipient", in the existing paragraph (d).

The CHAIRMAN: The effect would be to remove the ceilings on earnings?

Mr. PEARKES: Yes, on casual earnings.

The CHAIRMAN: There must be some point where the earnings cease to be casual and become regular.

Mr. CROLL: Let us take the vote first.

The CHAIRMAN: The question is on the motion put by Mr. Bentley that the committee recommend that Bill 196 be further amended by the deletion of clause 9. Those in favour of the motion will please rise? Those opposed?

I declare the motion carried.

Mr. HARRIS: I am not going to argue about the motion at all but what are we going to do when we get into the House? Why do we not report the bill without section 9—that is instead of making a recommendation which the House must debate?

The CHAIRMAN: Having by resolution recommended the deletion of the clause the effect is exactly the same as though we voted to delete it. I see no objection to deleting the clause.

Mr. HARRIS: I do not want to take up your time but if I understand correctly the bill was referred to us as a special committee and there was the limitation on us that we could not increase the expenditures of the government.

Mr. LENNARD: We could recommend.

Mr. HARRIS: Aside from that are we not a special committee determining the fate of this particular bill and since this committee has decided to reject section 9 surely our report should reject it and not just recommend that it be rejected.

The CHAIRMAN: The position as far as I am concerned is that we have already deleted one section of the bill and the resolution of Mr. Bentley which is carried will be reported by me along the lines that clause 9 is deleted as a result of a resolution of this committee, and therefore we need not make any further recommendation. As I said in the beginning I think we get to exactly the same place.

Mr. PEARKES: Can we clear up this point?

Mr. JUTRAS: I do not suppose it matters very much where the recommendation goes—

The CHAIRMAN: Your recommendation is now in order.

Mr. JUTRAS: My recommendation is that paragraph (d) of section 13 read "any casual earnings of the recipient to the extent of sixty dollars in any year".

The CHAIRMAN: Your motion would amend the act rather than this bill?

Mr. JUTRAS: Yes.

Mr. WHITE: Mr. Chairman, I would point out that Mr. Jutras' recommendation is circumscribing a recommendation that we have already considered. We voted \$125 and now Mr. Jutras is moving an amendment restricting the sum to \$60.

Mr. JUTRAS: I do not think we can go on these things by amounts. It is the principle involved and the results which count. I am convinced, and I have yet to be convinced to the contrary, that the war veteran recipient would be a lot better off if this was reduced to a nominal amount of \$60 instead of \$125.

Mr. CROLL: How?

Mr. JUTRAS: With all due respects to the board it will accomplish exactly what Mr. Pearkes suggested a moment ago.

Mr. PEARKES: No, it will not.

Mr. JUTRAS: You will find out, from the administration point of view, that it gives the commissioner a chance to open the door and disregard casual earnings.

Mr. QUELCH: Up to \$60.

Mr. JUTRAS: It is just a nominal amount and they will not go out to check \$5.

Mr. LENNARD: But they do.

Mr. JUTRAS: They will not. They have told us time and again that their intention is not to check every cent but they have told us if there is a substantial amount involved the law compels them to do so.

Mr. CROLL: Why not leave it at \$125?

Mr. JUTRAS: If you leave it at \$125 they will have to get the casual earnings because it is quite a substantial amount and they feel compelled to check; they have to draw the line between casual and regular earnings. Now with respect to the income of \$125 the war veteran recipient has got to report part of that, and if he is a little over the \$125 he has got to report part of it as casual and the other part as regular and he must try and squeeze as much casual into the regular and regular into the casual as he can. It makes it very difficult from his own point of view and it places a duty upon the administration to draw the line. If it were a nominal amount the administration could just disregard the casual earnings because there would be no point in checking on \$5. They have told us that they did not want to be sticky on it and they did not want to check every cent of casual earnings. However, the higher that you put the amount the more they feel they are compelled to check. That is my idea of reducing it to a nominal amount of \$5 a month and give statutory power to the veterans to have casual earnings but yet you do not compel the administration to check every cent.

Mr. PEARKE: I would like to move an amendment and the amendment as I said before is that all words after the word "recipient" in clause (d) of section 13 be deleted and that we make that recommendation to the House. I believe that would give the veteran an opportunity to go out and earn all the casual earnings that he can by doing a little bit of gardening, by working as a plumber, or a watchmaker, or by whatever means he is able. I feel we should encourage these men to go out and supplement their income as far as possible with casual earnings. We have all heard the recommendation of the Legion a short time ago where they suggest an increase in this allowance because they felt the allowance was not enough to keep a man. Surely we can adopt the attitude of encouraging men to supplement the allowance so that it will be sufficient and the total will be sufficient to keep him in a decent standard of living. I cannot see any reason at all why there should be a restriction on the amount of casual earnings. Perhaps the situation might be cleared up if we had a definition of casual earnings.

The CHAIRMAN: I was waiting until you had finished. It would hardly be possible to remove a ceiling without writing into the act a definition of what constitutes casual earnings because otherwise the board would be in a difficult position. Casual earnings, in the experience of most of us, are made in sums of less than \$5. If it is left in the position of Mr. Pearkes' amendment to the motion of Mr. Jutras, there is no ceiling and it would be impossible for the administration to carry on without writing a definition. At the present time it is \$125 under the act.

Mr. PEARKE: That is the total amount of the casual earnings allowed. Casual earnings in my amendment will mean exactly the same as the expression in the act now means. I suggest that we get a definition from the director as to what he considers casual earnings to be. If casual earnings turn out to be sums of \$5 at a time, we should let the veteran earn all the five dollar bills which he can, and I have no objection.

Mr. CROLL: I rise to support General Pearkes on this matter. I do not want a definition of casual earnings from the chairman. What we are trying to do is to have him ignore everything but regular and steady income. I do not think casual earnings can be stated in terms of \$5 or \$10. A man may work two weeks and he may earn \$12. That is certainly casual income in my view, and I think what we are trying to do is to relieve the board of strict definitions and technicalities. In effect what we are doing is that we are saying to the board we have a great deal of confidence in it and we want to make its job

easier and to have it continue handing out this money until the government says that it has gone too far. I am thoroughly in agreement with General Pearkes.

Mr. BENIDICKSON: It is all very well to give all this discretion to the board but I think there ought to be some indication of the practice and the intention as to what will be done in the future.

Mr. CROLL: We will catch the director the next time he is here.

Mr. LENNARD: May I suggest that it is so near 1 o'clock that the director's remarks should be held until 4 o'clock when we will have a fresh start.

The CHAIRMAN: The meeting will adjourn.

The meeting adjourned to resume at 4 o'clock.

AFTERNOON SESSION

The committee resumed at 4.00 p.m.

The CHAIRMAN: Gentlemen, will you come to order please. When we adjourned this morning we had before us a motion put by Mr. Jutras and an amendment put by Mr. Pearkes. Mr. Jutras' motion reads "that Bill 196 be further amended by the addition of the following clause 'that paragraph (d) of section 13 of the said act is repealed and the following substituted therefor—(d) any casual earnings of the recipient to the extent of sixty dollars in any year' ". The amendment put by Mr. Pearkes is "that all the words after the word 'recipient' be struck out". The effect of the motion put by Mr. Jutras is to insert in Bill 196 a change from \$125 to \$60. The amendment moved by Mr. Pearkes is to remove the ceiling on casual earnings. I took the trouble during the recess to discover from that source of all knowledge in these matters whether the committee had in fact the power to move such an amendment to the bill, and I am informed on impeccable authority the committee has the power. The first consideration will be the amendment put by Mr. Pearkes.

Mr. CROLL: Question?

Mr. QUELCH: I would like to support the amendment made by Mr. Bentley which was to leave clause 9 in the act as it is at the present time. As far as Mr. Jutras' amendment is concerned, not being a lawyer, I cannot understand the fine points of his reasoning and I cannot see how it improves the position of the veteran.

Mr. HERRIDGE: It is abstract reasoning.

The CHAIRMAN: Who is it that you say you cannot understand?

Mr. QUELCH: Mr. Jutras. As far as Genral Pearkes' amendment is concerned I think it goes too far and it might weaken the veterans' case. Clause (d) allows \$125 which really means a supplementary allowance of \$10. At the present time he receives \$250—\$375 if he is married—and he will now be able to get \$10 additional even though his total income is in excess of \$375. It would mean his income can rise to \$1,225 if this is accepted. It will increase the ceiling on his income by \$125 and therefore that is a reason why it should be kept at \$125 instead of \$60. It allows the veteran to receive \$10 a month extra but if you reduce the amount to \$60 that will mean only \$5.

Mr. WRIGHT: I would like to be given by the board a definition of casual earnings and information as to whether the removal of the ceiling altogether might change the definition and make it more difficult for the board to determine what casual earnings are?

Mr. GARNEAU: This is just the board's interpretation on casual earnings as we have it in our notes. For the purpose of interpretation we regard casual earnings as earnings which may be defined as derived from broken or intermittent periods of employment or short occasional employment with various employers. Such income may be allowed the wife of the recipient provided she is not employed under different conditions and if the recipient cannot avail himself of those exemptions. The aggregate casual earnings of the recipient and his wife shall not exceed \$125 per annum and may be the aggregate of the two earnings. The wife can earn say \$75 and the recipient \$50, or the wife can earn nothing and the veteran can earn \$125. In this definition we regard casual earnings as that derived from short and broken employment with either one or different employers. We are thinking for instance of taking out the storm windows of one house, cleaning out the cellar of another house, tending the grass, and going around the neighbourhood. In all communities we have these men who pass from one house to another and whom we employ every year. We do not try to put a narrow interpretation on the word casual as long as it can be shown that it is not contractual or semi-contractual employment with fixed conditions of pay or any stipulated earnings, because we would regard that as regular income.

Mr. PEARKES: You have a very definite understanding between ordinary earned income and these casual earnings?

Mr. GARNEAU: Yes.

Mr. PEARKES: My feeling is these very casual earnings which are collected by the man or his wife going out to supplement the income should be encouraged and I hope the committee will agree to remove these restrictions.

Mr. JUTRAS: Will you not inevitably be forced to define casual earnings? In other words will you not have to do what all the old age pension schemes have to do. They have had to define and as a matter of fact enumerate all the earnings that are to be considered as casual, and all earnings that do not come under those classifications are considered as regular earnings. Inevitably I think the commission later will have to draw up a list of earnings that will be casual and those that are not casual and the commission will be governed accordingly.

Mr. LENNARD: Why not for once give the old veterans a chance to be honest? This casual earnings business has been a racket for years amongst many of them, and some of those sitting around this table have probably contributed towards that evil.

The CHAIRMAN: I do not think there is any doubt about that.

Mr. CROLL: I think there is a principle involved and I support it, perhaps not because I follow the implications but because I think there is something involved here that is important from the committee's point of view. This is the first step which I have seen in this committee where we are attempting to do away with the means test. Gradually we are getting away from the point that everyone has to prove that he earned this or he earned that before he can get his full allowance. This appears to me to be the first break away from that. I have never liked the test and I have always been in favour of doing away with it. For my purpose the amendment satisfies and I am going to support the suggestion made by General Pearkes in the hope that if what we have done today does not work in practice, we and others following us will be here to rectify the situation. For the moment let us say that we have confidence in the board and let us turn it over and let the board deal with the problem.

The CHAIRMAN: Is it not true that the idea which lay back of the deletion of this clause and the elimination of it was that the board would then be in the same position that the old age pension boards are in, and the board would be able to ignore casual earnings which were purely casual earnings and they would not

have to concentrate on them. I understand there is serious difference of opinion in the committee as to whether the elimination of the casual earnings clause would do that. There are some, Mr. Jutras is one of them, who urge that if we eliminate that clause we are going to force the board to look for this money. I was one of those who thought we were going to forget about casual earnings and concentrate on regular income and not look behind that. If that was the intention of the bill as it was drafted, and in my view it is, the question the committee must decide is to whether that is in fact carried out by dropping the casual earnings altogether or whether the committee does accomplish that end by moving for the deletion of clause 9. The whole thing is not so much a matter of law as of opinion as to which way it will be more easily possible for the veteran to be strictly honest and for the board to be generous. Certainly I am not in a position to speak for the conscience of the board but I do not think there is any principle involved particularly. It is a question of which procedure is most likely to accomplish that which the committee obviously desires and which from the drafting of the bill it appears the government desires.

Mr. QUELCH: I am not satisfied as to what this means. If a man is working as a janitor, a married man, and if he is getting \$30 a month or \$360 a year, he is allowed that under section 4. That work we will say is only done in the evening. In addition he is a bit of carpenter and he takes piece work which brings him in an average of \$40 a month or \$480 a year. That would not be regular work, but he may get a job to build a cabinet and two weeks later he gets a job to do something else, and all this carpentry work brings him in a total of \$480 a year. Actually that is more than the amount of his earned income. Surely he is going to figure that he can get more out of the casual income than he can from the earned income and instead of getting a job as a janitor he will get a job which pays him \$100 one month and nothing the next month. I do not see how you can differentiate between the casual earnings and the regular earnings under the act.

Mr. GARNEAU: Suppose we found a man whose trade is normally that of a carpenter—he does not need to be an absolutely qualified carpenter with a union card for our purposes—but if he has done that type of work for a large part of his life, his history will show that he has been doing odd jobs and succeeding relatively well in maintaining himself and supplementing his other employment. If it appears that he is earning more and more from that so-called casual earnings we would be inclined to regard it as regular income, *modus vivendi*, or means of obtaining livelihood. Perhaps it would be \$300 in the first year and \$450 in the next year, and continues steadily upward as the result of these odd jobs, and we know that occurs in the case of lots of these men, then I am afraid that the board could not treat that money as casual earnings apart from his regular \$20 a month job as janitor. We would take \$125 of that amount at present, and by stretching it a bit, we could say that \$125 might be casual and then give him the benefit of the legislation to its fullest extent after that. Yet I am afraid we would regard that as income. It is not so intermittent as to be called casual. He might have no work this week but next week he might have a job worth \$55. It might take him a week to build the cabinet and then there would be a lull and he would go along again on something else. If he makes it regularly it will still be earned income.

Mr. HARRIS: I only want to add one word. I was tempted to take the view that I would be safe by leaving the section as it is and by voting against both Mr. Jutras and Mr. Pearkes but having heard the chairman on two occasions it seems to me that what we want to do is to leave the man free to get his casual earnings without limit and at the same time leave the board with the present generous attitude in defining what casual earnings might be. Therefore, I am going to support Mr. Pearkes' motion.

Mr. BLAIR: In the discussion I have made up my mind to support General Pearkes' motion.

Mr. CROLL: I hope I did not influence you.

Mr. BLAIR: No. No matter what you do a great deal depends upon the board. It is not a fixed amount and the idea is to give a man an amount that will be of help to him. This is not fixed like the war disability pension and no matter what you write into this legislation you have still got to come back to the board and the judgment which it will use in most cases. It is pretty hard to fix a figure and it is really up to the board to decide the amount of money that a man needs to carry on.

Mr. QUELCH: After the further interpretation I feel inclined to support General Pearkes' amendment. It is going to place quite a heavy responsibility on the board by way of requiring the board to determine just what is casual earnings and what is not casual earnings but they have made a good job of it in the past and I think they will do so in the future.

The CHAIRMAN: It is perfectly clear to me that I am not going to have to vote and while I am sympathetic to the idea I am much more sympathetic to the members of the board. If I were a member of the board I think I should like to have inserted a limit as to what could be casual earnings. I do not know whether it is possible to do that and I do not know whether you want to do it but thank goodness I am not on the board.

Mr. CROLL: Well you may be on the board.

The CHAIRMAN: I have never turned it down but is there any further discussion?

Mr. HERRIDGE: I had some qualms, as did Mr. Quelch, but after hearing the chairman of the board explain what is regarded as casual earnings and the board's attitude in this respect I am quite content to leave it up to the board.

The CHAIRMAN: You are leaving your conscience in the keeping of the board.

Mr. HERRIDGE: In this respect I am quite willing to do so.

The CHAIRMAN: Are you ready for the question? Those in favour of the amendment of Mr. Pearkes that there shall be no fixed limit on casual earnings?

I declare the motion carried.

The CHAIRMAN: Pardon me, there is just a matter here and that is the motion put by Mr. Jutras which has been amended by Mr. Pearkes. The question is on the motion.

Mr. CROLL: The motion has been dealt with.

The CHAIRMAN: No. The point is that Mr. Jutras moved his motion that the bill be amended by the addition of the following clause, "(d) any casual earnings of the recipient to the extent of sixty dollars in any year".

Mr. JUTRAS: The intent of both motions was similar and I would withdraw mine.

The CHAIRMAN: Mr. Pearkes' amendment applies to your motion but it does not amend the act. Those in favour?

I declare the amended motion carried.

Mr. LENNARD: I wonder what was amended.

The CHAIRMAN: Before you speak, Mr. Wright, I gave notice to the committee that at a suitable time I would ask one of the members to move an amendment and I will now ask Mr. Harris if he will do that for me. That amendment is the result of the desire of most members of the committee to

clarify the situation with respect to a supplementary grant. We had a good deal of discussion before and some members were not here but I had the feeling which is perhaps general, and we will soon know, that the idea of the supplementary grant carried with it the idea that it might at some time be taken away. The feeling is that the committee would prefer to recommend that the supplementary grant be consolidated in the amount of the award thereby eliminating the possibility to which exception was taken—that is a second means test with respect to the \$10. I have given the matter some thought and I have made some inquiries so I will ask Mr. Harris to move a general recommendation.

Mr. HARRIS: I move that this committee recommend that the supplementary grant principle referred to in clause 8 of the present bill be revised and eliminated and that the \$10 increase referred to in that section be incorporated in the basic rate by amendment of the appropriate sections of the act.

The CHAIRMAN: Is there any discussion on the amendment?

Mr. QUELCH: Would clause 2 apply at all?

The CHAIRMAN: I think the words "by amendment of the appropriate sections" cover that. In principle the desire is to eliminate the second means test if it exists and to do so as we did in the Pension Act and make the increase applicable. The amendment is designed to assist those who are in most need.

Mr. QUELCH: In that case it would be \$40 instead of \$30 with an income of \$250?

The CHAIRMAN: The amendment does not alter the permissive income allowed under the bill but it does remove what some interpreted to be a threat that it might at some future time be removed.

Mr. BENTLEY: Do I understand that if we vote for Mr. Harris' motion any veteran who, under the present act, can qualify for the full allowance of \$30 a month will by the same qualifications be qualified for \$40 a month?

The CHAIRMAN: Provided that it does not put him over the permissive income.

Mr. BENTLEY: Is that correct?

The CHAIRMAN: Yes, and I think you were the first one to raise an objection to the implied threat but it does not go as far as the previous amendment did in elevating the ceiling, but it does get it back to a regular basis. You have heard the motion, gentlemen.

Mr. WOODS: Before the motion is put, will it not be necessary, if you are going to remain within the present ceilings on permissive income, to reduce the underlined figures on page 2, clause 4, from \$250 to \$125 and from \$375 to \$250? Otherwise, how are you going to remain within the permissive income?

The CHAIRMAN: The motion reads, "by amendment to the appropriate sections of the Act". That is the method of doing it. I was careful to say it does not change the total permissive income, but it does change the principle of the award from a supplementary one, to which objection was taken, to a change in the basic award.

Mr. CROLL: As I understand it, this question was raised first by Mr. Bentley. Using as a basis the old age pensions in the various provinces, an old age pensioner was entitled to \$30. He went through a means test to get the \$30. It was decided he would get, perhaps, \$25. Then, another \$10 was allotted. The pensioner was put through another means test to decide whether he should get the \$10. To avoid that second means test in this case, it was decided to incorporate the two and make them one award.

Now, that does it. It was not aimed at increasing the measure of allowance. It was only decided, with respect to the supplementary allowance, to make

it one award instead of two awards. I think this amendment does it. It makes it one award. It leaves it within the limits. A man who may only be entitled to \$28 or a little less than \$30 might still get the \$10 additional, or \$38 instead of \$40; something like that. It strikes me that was the intention and this amendment accomplishes that. If it is left as it is, as Mr. Woods has pointed out, then you have increased the allowance well beyond what we anticipated.

The CHAIRMAN: No, the resolution says by amendment to the appropriate sections of the Act. Those are the appropriate sections.

Mr. CROLL: Yes, but he was quite correct in pointing it out.

Mr. GUNN: I think the deputy minister has correctly described the situation. If I properly interpret the resolution, it simply means that the present maximum allowance of \$365, in the case of a single veteran, will be raised by \$120 a year and it will then become \$485. I believe that is the only change necessary in order to carry out the terms of the resolution. The permissive income remains the same in each case; that is to say, the \$125 in the case of a single veteran and \$250 in the case of a veteran with a child or children and so on. It seems to me, Mr. Chairman, the only amendment which is necessary is to change those figures mentioned in each of those three sections.

The CHAIRMAN: And this resolution requests that that be done.

Mr. GUNN: I think it does.

Mr. QUELCH: On the other hand, is it not true that by throwing out section 9, we have raised the total permissive income by allowing the casual earnings to remain?

Mr. BENTLEY: Only for those who can get casual earnings.

The CHAIRMAN: As I understand it, that is not tied in with this because this is the basic rate with which we are dealing.

Mr. QUELCH: That is true; it is not tied in with this but, so far as the Act is concerned, we have raised the permissive income.

The CHAIRMAN: Yes, if it is accepted, we have.

Mr. BENTLEY: When the deputy minister was speaking, he pointed out the underlined words in section 4, page 2, and said we would have to reduce \$250 to \$125.

This is what I want to see happen. I want this section to read this way, if I vote for this motion:—

The maximum amount payable in any year to an unmarried veteran or a veteran bereft by death of his or her spouse, without child or children, shall be \$485 less the amount of any income of the recipient in excess of \$250 per annum.

The CHAIRMAN: No, to accept that motion, Mr. Bentley, would amount to an automatic increase of the permissive income by \$125. This does not involve that. This involves giving the veteran, as a right, this \$10, but it diminishes by the amount of that \$10 the earnings. The ceiling remains the same. It does nothing more than to remove the objectionable nature, to some, the objectionable idea that this grant was supplementary. It leaves him in exactly the same financial position, but it removes the possibility of a second means test as to whether or not the applicant is entitled to the additional \$10.

Mr. CROLL: It is only a game of put and take.

Mr. BENTLEY: It is better than nothing. I won't oppose it.

Mr. WHITE: This comes back to the argument I raised the other day. It really means that the veteran who is getting both the Veterans' Allowance and earning the full amount, is not going to benefit in any way by this increase.

The CHAIRMAN: Correct.

Mr. WHITE: Even if you carry Mr. Harris' motion, it will still mean exactly that.

The CHAIRMAN: That is correct. The only difference is it does remove it from the questionable category of a supplementary grant, and raises to \$485 his maximum receipts. Are you ready for the question, then?

All those in favour signify in the usual manner? Contrary, if any?

Carried.

We have now carried clauses 1 and 2, repealed by 3. We have carried 4 and 5. Six was allowed to stand pending the vote on Mr. Harris' motion last week. We now have to carry clause 6 on page 3. One of the matters with which we were concerned in this section was in line 14, "enlisted or obligated to serve". Mr. Harris raised a question with respect to the use of that term, "obligated to serve".

Mr. WRIGHT: It is under this section I wish to make an amendment, not to this clause, but to the Act itself. I move that section 2, subsection (j) clause 3 be changed by adding (c) in these words:—

As applied to members of the Canadian Expeditionary Force or other Canadian military forces who served only in the United Kingdom, or Great Britain and Ireland.

Now, the effect of that amendment is to extend the benefits of the Act to Canadians who served in Great Britain. I do not think there is any further explanation necessary. We discussed this at considerable length before. I move that motion which has the effect of extending the benefits of the Act to those Canadian soldiers who served in Great Britain in World War I.

The CHAIRMAN: This motion is limited to World War I. The motion of Mr. Wright reads as follows:—

Resolved, in the opinion of this committee the Veterans' Allowance Act, 1946, section 2, subsection (j), clause 3 be amended by adding subsection (c) as applied to members of the Canadian Expeditionary Forces and other Canadian military forces who served only in the United Kingdom, Great Britain and Ireland.

This is a motion concerning the much debated entitlement clause for Canadians who served in England only. Since the inception of the Act, entitlement has only been granted to those who served in a theatre of actual war on the principle that this was an Act to benefit and assist those who were pre-aged on account of battle experience. The proposal now is that we shall include in the benefits of this Act those Canadians who served in England only or in the United Kingdom and Ireland. Is there any discussion on the motion?

Mr. QUELCH: Those are the recommendations?

The CHAIRMAN: It parallels the recommendations of the Legion.

Mr. PEARKES: I was not here when the previous discussion took place. As I have already spoken in favour of this in the chamber of the House, I should like to record my support of the proposal which is being made. I pointed out in the House earlier in this session that, from the figures I have although I cannot be positive about those figures, there were actually more men died in Great Britain as the result of illness on Salisbury Plain during the winter of 1914-1915, than there were killed by bombs during this war. I merely quote that to emphasize the hardships and casualties which were incurred by the troops of the C.E.F. in Great Britain.

There is just one point. I am not certain whether or not it has been brought before this committee and that is the fact that, after the armistice, Canadian troops, some of whom were brought into the army through the method of conscription in those days, were sent over to Europe to work on the Imperial

War Graves Commission. They were improperly organized labour battalions and those men would, I believe, be entitled to the benefits of this War Veterans' Allowance Act. If a man is entitled to receive this allowance when he goes over to Europe after the armistice is over and there are men who volunteered right at the beginning of the war who, through some disability, illness or because they were required for essential duties, were retained in Great Britain against their will, we should extend these facilities to them. I think that is a point which, perhaps, has been overlooked in that previous discussion. I should like to bring that to the attention of the committee.

Mr. HERRIDGE: Briefly, I want to support the remarks of Mr. Pearkes. Not only does it apply to those who were sent over to Europe in connection with the War Graves Commission but, after the armistice, certain reinforcements were sent over and regiments brought up to strength towards the end of the war. I believe that considerable numbers would be affected by that. I think I am correct in saying those men would be entitled to an award under the War Veterans' Allowance Act.

At the same time, I have personal knowledge of men who, in the winter of 1914-15, were sent over but were kept in England because of disabilities and illness incurred on Salisbury Plain. I think it is only fair to consider these aspects of the question when considering this resolution. I wish to express my support of the resolution moved by Mr. Wright.

Mr. HARRIS: This is the first time I have heard about these people going to France after the armistice. I wonder if the chairman would please tell us the nature of that.

Mr. GARNEAU: The whole thing rests on the definition of the period of the war for World War I. In our Act, it was in the Act originally and it has been carried through, World War I is defined as,

For the purpose of this Act, it shall be deemed to have commenced on the 4th day of August, 1914 and to have concluded on the 31st day of August, 1921.

That ties in with the theatre of actual war. You have now the case of World War I as applied to the military or air force, the zone of the allied armies on the continents of Europe, of Asia or of Africa or wherever the veteran has sustained injury or contracted disease directly by a hostile act of the enemy. So far as the naval forces are concerned, the high seas or wherever contact has been made with hostile forces of the enemy, et cetera. Each one ties in with the other.

Mr. HARRIS: I certainly do not want to reflect on any previous committees, but I am prepared to say I doubt if that question was examined very thoroughly by any committee of this House. Do you mean to say, then, if someone left this continent after the 8th or 10th of August, 1945, and went to England, he is entitled, under our present legislation, to the War Veterans' Allowance?

Mr. GARNEAU: 1945?

Mr. HARRIS: Yes.

Mr. GARNEAU: No, that applies to World War I.

Mr. HARRIS: Could we not find ourselves in the same situation with regard to veterans of this war since we have said Great Britain is considered a theatre of war for World War II veterans. If anyone left Halifax on the 10th of August, 1945, would he be entitled to War Veterans Allowance?

Mr. GARNEAU: The end of the war has been left in the air, so far as our act is concerned.

Mr. HARRIS: Then, if it were ultimately determined that war ended in March, 1946, are we not getting ourselves in precisely the same position with respect to perhaps large numbers of people who left Canada in the interim after the war ended?

Mr. GARNEAU: I suggest you may be right on that.

Mr. HARRIS: Then, I am going to ask we do not settle this question until we consider the implications.

Mr. WRIGHT: The amendment which I have moved only refers to veterans of World War I.

Mr. HARRIS: I quite agree. Perhaps I show complete ignorance of the background of this legislation, but this is the first time I have heard of these people who went to France after the end of hostilities in World War I. Mr. Pearkes has made a perfectly logical argument as to why those people should be entitled to the benefits of the Act. If they are entitled by reason of faulty drafting of the Act, because I am sure nobody intended to leave it that way that some time in 1921 it is determined the war is over and therefore these people who might have gone as late as 1921 receive the benefits of the Act, then I do not want to fall into the same error with regard to World War II unless we examine the situation and decide it should be so.

Mr. WRIGHT: I agree with your argument on that, but it really does not affect the amendment which is before the committee. World War II should be the subject of another amendment so as to clarify it and to make it applicable to soldiers of World War II.

Mr. CROLL: How do you lay down a rule for one group and a different rule for a second group? Must not the second group be treated the same as the first group?

Mr. BENTLEY: Normally, yes.

Mr. CROLL: There is no date fixed as yet for the end of the war.

The CHAIRMAN: For the purpose of the veterans' legislation, it is the 31st of March, 1946.

Mr. HARRIS: Then, you could have people making a Cook's tour, people who left between August, 1945, and fifteen months later, who went to the United Kingdom could qualify under this legislation.

The CHAIRMAN: So far as the present legislation is concerned, I am informed the situation which was described by Mr. Pearkes has, in fact, existed since 1930. I confess that I have been pretty intimately connected with this matter, but it is the first time that the question has arisen. The Act does define when the war ended, and since 1930 that situation has obtained. Now whether or not there is a variation in what Mr. Pearkes has said, there is certainly a cogent argument for Mr. Wright's suggestion, but I do not at the moment follow the connection between them and what is established with respect to the second war. The second war for the purpose of this legislation—the veterans' legislation—was deemed by Act of parliament to have ended, I am informed, on the 31st of December, 1946.

Mr. GUNN: Only for the Veterans' Rehabilitation Act.

The CHAIRMAN: For the rest of the Act the war still goes on?

Mr. PEARKES: Could not that be written into the definition—the definition of World War II on page 191 of the charter, paragraph 4: "World War II which commenced in September 1939." Why could not the words be added now? Could we not make a recommendation and conclude it on the date—

Mr. CROLL: We are not the people who say when the war ends; parliament says that.

Mr. PEARKES: No, the war has been accepted as ending for other legislation on such and such a day—I have forgotten the date—but the army was taken off active service on such and such a date, and as far as the legislation is concerned surely we could consider this legislation ceases to apply on a generally accepted date when veteran legislation and other legislation ceases to apply.

The CHAIRMAN: I think it is competent for this committee to make a resolution that in our view, for the purposes of this Act, the government should consider fixing a date for the conclusion of the war; but I do not think—and I am open to correction on this—I do not think that it ties in directly with the motion before us at the present time moved by Mr. Wright. I am open to conviction from the committee. I would be open to entertain such a motion in view of the situation which has existed and which could exist in the future, but I question in my mind whether that resolution is pertinent to the resolving of the question before us at the moment.

Mr. GUNN: Mr. Chairman, may I mention with reference to the termination of the war for the Veterans' Rehabilitation Act that that was accomplished by a special section of the Act of 1946: "The Governor in Council may define the expression 'termination of the war' for the purpose of this Act"; and the Governor in Council did afterwards pass an order in council.

Mr. CROLL: The purpose was to wind it up finally.

Mr. GUNN: In order to get some finality to it.

Mr. CROLL: Yes.

Mr. HARRIS: I repeat my question to the chairman. Any soldier who left Canadian territory after the 8th of August, 1945, and before the date Mr. Gunn has mentioned and went to the United Kingdom presumably on military affairs would be entitled now under our legislation to the benefits of the War Veterans' Allowance Act; is that right?

Mr. GARNEAU: I am afraid I have to agree on that point. We have no termination.

Mr. WOODS: Mr. Chairman, it is not practicable in the interests of the veteran to state the end of the war in the Act for the purpose of veterans' allowance as at the finish of hostilities for the reason that we had to bring home half a million young people after hostilities were over and it took months and months to demobilize them. A veteran is entitled to the benefits of the Act if he is a pensioner or was hurt on his service, and many of them were hurt long after the shooting was over, during the period of demobilization. So you cannot cut them off at the end of hostilities and say that is the end of the war. That was true with respect to World War I, but the difficulty is this: war is defined in World War I as having started August 4, 1914, and having finished August 31, 1921. That was all right. That identified the war. If anyone was pensioned for a disability between those dates he became eligible for the war veterans' allowance. But this was the difficulty; the trouble was when we started to administer the War Veterans' Allowance Act the Act provided that the veteran must have served in a theatre of war. So, we asked "was the continent of Europe a theatre of war after November 11, 1918?" and they said it was, to our surprise.

Mr. HARRIS: Who said that?

Mr. WOODS: The Department of Justice.

Mr. HARRIS: They said it was a theatre of war until August 1921 and that took in the group of people mentioned by Mr. Pearkes.

Mr. CROLL: August 1921? Was that the time of the peace treaty?

Mr. WOODS: Yes.

Mr. CROLL: Now, you see that is the implication, that until such time as, if and when we get a peace treaty this will stay wide open.

The CHAIRMAN: You are overlooking the fact that for World War II England is a theatre of actual war.

Mr. HARRIS: No, that is the thing we are not overlooking. Mr. Woods made a distinction between the Pension Act for soldiers who became injured in some form or other after the end of hostilities. That is an entirely different matter than qualifying under the War Veterans' Allowance Act for burnt out payments when they reach certain ages; and the principle of the War Veterans' Allowance Act on which you qualify is age and the area in which they served. My point is this: if in World War II we are going to permit any soldier who left Canada after the end of hostilities to be given the benefit of the legislation merely because after the end of the war—even the war with Japan—he sailed to England perhaps to discharge clerical duties during demobilization or something like that—and that is the situation today; and if this committee, having discussed it and heard all sides of the question decides that is the thing to do, then we cannot in conscience refuse it to anybody who went to England in the first world war; yet I do not think we ought to be driven into that position just because the Department of Justice, having found two Acts on its desk, said that is the particular definition in the Act that parliament has passed; that World War I had a theatre of war in France and it applied after the 11th of November, 1918.

Mr. BENTLEY: I think the Department of Justice builded better than they knew when they so decided and we thank them for having done that. I would like to point out that the matter brought up by Mr. Pearkes and others, which brought on this argument, while it may not be something that Mr. Harris and others favour, is favoured by many members of the Legion. I have heard it discussed in small and large meetings, and I want it understood that the Legion must have given consideration to these things. And yet with that in mind they still brought in here, when they made their first submission on war veterans' allowance, a recommendation that the benefits of the War Veterans' Allowance Act be extended to Canadian veterans who served in Great Britain only in World War I.

At the convention, in the third resolution, they dealt with exactly the same thing. Now, we have heard the representation. They passed this resolution: "Resolved that the benefits of the War Veterans' Allowance Act be extended to Canadian veterans who served in Great Britain only . . . during World War I", and they added the words, "eighteen months," which I objected to. However, I think they made an error in their submission this morning. In the last recommendation they did the same thing, except for the eighteen months' qualification. I think that was a wrong qualification. On three separate occasions: when they were preparing the brief before the convention, during the convention, and in preparing the brief after the convention to submit this morning, they considered that this was a proper thing to do—to declare Great Britain a theatre of war for the purposes of the War Veterans' Allowance Act in World War I.

The fact that they have not dealt with the whole thing in World War II in the same way undoubtedly is for good reasons of their own. The situation has not arisen to an acute point yet, and the position of the old veterans of World War I is acute in many cases. Then we have to do in the future with regard to World War II what we may consider necessary at that time. But at the present time we are dealing with the matter that has been strongly recommended by the largest veterans' body in the country, and I do not think we should allow anything that might happen with regard to World War II to influence our judgment at all. I think the motion is one that everybody in the committee should support and I do so.

Mr. HARRIS: I wish to correct an impression that Mr. Woods has drawn to my attention, that I may have misinterpreted his remarks. Anyone who is

entitled to pension under the Pension Act for injuries whenever sustained during World War I would become entitled to the war veterans' allowance provisions as well. He has pointed out that someone might be entitled to pension, and presumably a good many were, for a period after the 11th of November, 1918, and my argument would tend to exclude those people from the benefits of the War Veterans' Allowance Act. I did not mean that, and if I gave that impression I apologize for it, particularly to the deputy minister.

Mr. HERRIDGE: I see no reason why we could not adopt this resolution, and in view of the discussion this committee could make a recommendation that the government give consideration to this other situation.

Mr. QUELCH: I agree with the last statement. I think we can deal with the motion of Mr. Wright and later on deal with the veterans of World War II.

Mr. WOODS: I suggest all that would be necessary, Mr. Chairman, is that where a theatre of war is defined if we inserted the words, "in the case of a non-pensioner during hostilities," it would take care of that.

The CHAIRMAN: As I said a few moments ago, I take the view that the two motions are not necessarily tied to each other. I appreciate the impact of the situation which Mr. Pearkes describes on the consideration of the motion of Mr. Wright, and I think that this committee has the power to dispose of Mr. Wright's motion if it wishes to point out by resolution the necessity for the amendment. So that the situation such as Mr. Pearkes described as having followed the 1914-1918 war would not follow the 1939—whenever it ends—war, and I think on that basis we might proceed to vote on the motion now.

Mr. HARRIS: When did the Legion first make this recommendation?

The CHAIRMAN: Do you remember, Mr. Herwig, when the Legion first made the recommendation?

Mr. HERWIG: The committee of 1946. I think that was the first time. I think it was brought up before the Rehabilitation Committee of 1943.

Mr. QUELCH: I remember it coming up but I do not remember whether it was a recommendation of the Legion or not.

The CHAIRMAN: It was a hardy perennial.

Mr. HERWIG: It had been happening for about fifteen years.

The CHAIRMAN: The reversal of opinion as far as the Legion was concerned came about 1946. The earliest was in 1943. Prior to that it had been consistently rejected.

Mr. HERWIG: Yes.

The CHAIRMAN: Are you ready for the question?

I declare the motion lost and the vote was 12 to 13.

Mr. WRIGHT: I would ask for a recorded vote.

(Vote recorded.)

The CHAIRMAN: The result is still 12 to 13 and the motion is lost.

Mr. HARRIS: May I ask the deputy minister to look into the question of how our legislation to which I have referred may be brought into line.

The CHAIRMAN: As the deputy minister has suggested it might be in order for him to look into the matter and be prepared to suggest an amendment.

Mr. WOODS: I suggest that if in its report the committee suggests that the government set a date for the termination of the war that would bring it to the attention of the government.

The CHAIRMAN: That is what you suggested a moment ago.

Mr. WOODS: I will look into the matter in any event.

The CHAIRMAN: That disposes of clause 6 which has now been carried. We have before us still clause 10 which stood "sections 4, 5, 7, 8, and 9 of this act shall be deemed to have come into force on the 1st day of October, 1947." The deputy minister tells me the department has a substitute clause in the place of clause 10 and with the consent of the committee I will ask Mr. Gunn to outline the proposed substitute clause 10 on page 4.

Mr. GUNN: Mr. Chairman, I have provided the secretary with sufficient copies for the members and while they are being distributed I will make this remark. The purpose of this legislation is to relieve the department of having to use the rather drastic provisions of the Criminal Code in the case of frauds practiced on the department in connection with the War Veterans' Allowance Act. The act at the present time contains no penal provision and as I said before we must resort to the provisions of the Criminal Code dealing with the obtaining of money by false pretenses and the penalties in the code are, in the opinion of the department and of the board, far too severe. Moreover, it involves considerable expense to a veteran if he wants to defend himself. He has the right to be tried by a jury and you all know there is a great deal of expense involved in that. The purpose of this substitute section is to make this offence triable as a summary conviction before a magistrate with an appeal lying to a county or district court judge.

Mr. CROLL: Will you read section 25?

Mr. GUNN: Section 25 at the moment, as it stands?

Mr. CROLL: Yes, on page 199.

Mr. GUNN: Section 25 of the act as it stands reads as follows: "The amount of the payments of allowance made by reason of wilful non-disclosure of facts or of fraudulent misrepresentations shall be recoverable from the recipient as a debt due to the Crown." We are not changing that wording at all; it remains as it is.

Mr. CROLL: But section 25 is repealed and the following substituted therefor—according to this mimeographed copy.

Mr. GUNN: That is right, but you will find in the third subsection that we repeat the provision as it stands today. Those are the civil aspects.

Mr. HARRIS: Would you not have been better to start out the new section with the third subsection first?

Mr. GUNN: We consider that the criminal end is more important. We want the salutary effect. Previously the department has always had the right to try to recover under those circumstances. Subsection 1 and 2 of the multi-graphed memorandum which you have before you are new sections. With respect to subsection 1 as the act now stands if the recipient obtains money from the board through false pretenses or makes false statements any right of prosecution for that offence must be taken under the Criminal Code.

Mr. CROLL: Where do you get the right to proceed under the Criminal Code?

Mr. GUNN: Under the Criminal Code, obtaining money by false pretenses.

Mr. CROLL: All it is is a debt due the Crown and all you can do is recover.

Mr. GUNN: That is so.

Mr. CROLL: A judgment is all you can get.

Mr. GUNN: That is all we can get now.

Mr. CROLL: Under section 25 as it stands.

Mr. GUNN: That is right.

Mr. CROLL: In the new section you go much beyond that.

Mr. GUNN: Yes, if I may put it this way, Mr. Chairman, we remove the offence from the realm of criminal rules—

Mr. MACNAUGHT: You are making it optional.

Mr. GUNN: We are not repealing the Criminal Code provision but this will allow the board to lay an information as an offence for summary conviction rather than under the Code with its drastic remedies.

Mr. WHITE: Have you had any cases under the Code, arising out of section 25?

Mr. GUNN: Yes.

Mr. WHITE: How many?

Mr. GUNN: Not very many.

Mr. WHITE: What happened?

Mr. GUNN: There have been some convictions. There was imprisonment for one year ordered in one case. There were two cases.

Mr. CROLL: It must have been a very flagrant offence? How bad was the fraud?

Mr. GUNN: Several hundred dollars.

Mr. CROLL: And the imprisonment was for a year?

Mr. GUNN: Yes.

Mr. CROLL: For several hundred dollars?

Mr. GUNN: I think it was about \$1,500.

Mr. CROLL: That is not several.

Mr. GUNN: I am speaking from memory. This gives the veteran a break in the opinion of the department.

The CHAIRMAN: Perhaps we might hear the explanation.

Mr. CROLL: I do not agree with you.

Mr. CHAIRMAN: Perhaps we could hear the explanation and then discussion will be in order.

Mr. GUNN: The offence of obtaining money under false pretenses, which this amounts to comes, definitely under the Code today and we cannot do otherwise than take proceedings under the Code, as Mr. Croll and the other lawyers know. Obtaining money by false pretenses is an indictable offence. If the recipient is found guilty under section 405 or 407 of the Code the maximum penalty is 3 years imprisonment. If he is found guilty under section 407 of making a false statement the penalty is one year's imprisonment and a fine of \$2,000. The procedure on indictable offences is often long and costly. If the proposed change is adopted it would permit prosecution before police magistrates who would have complete jurisdiction over the matter. Either the Crown or the accused could appeal from the decision of such magistrate or either a county court judge or a district court judge. The second subsection has to do with proof at a trial. As the act stands now it becomes necessary for members of the board or for officials from the head office to attend as witnesses. You can understand gentlemen, that it is hardly desirable to have important officials of the department—

Mr. WHITE: Why should they not attend?

Mr. CROLL: They might have to attend a hearing in Winnipeg.

The CHAIRMAN: We have only five of them and there are nine provinces.

Mr. GUNN: It involves considerable expense. The purpose of subsection 2 is to enable the production of documents to prove a prima facie case only.

Mr. HARRIS: We would not agree to that without a very long explanation of the type of document you intend to use under this section.

Mr. GUNN: I think your point is well taken. The application, for example. How are you going to prove the signature on the application which contains fraudulent misrepresentation?

Mr. HARRIS: I read this before and by first impression was wholly unfavourable but I hoped to find a way whereby I could be not too much opposed. I take it under subsection 2 you want to produce a document which purports to be an adjudication of the board. The only adjudication of the board would be their decision to grant an allowance. Is that correct?

Mr. GUNN: Or to remove an allowance.

Mr. HARRIS: The only document you are going to present under this section is merely a statement of the board that it has decided that John Jones who lives at such and such an address is entitled to an allowance of so much.

Mr. GUNN: It is a case of a recital of the facts contained in the board's adjudication.

Mr. CROLL: Where is the opportunity for cross-examination—the ordinary right of an individual to ask questions? He cannot ask questions of a document and you say this is to be *prima facie* evidence against him. You must have been sitting in parliament listening to the way we do things.

Mr. GUNN: May I point out to you this is merely to bring this act in line with other departmental acts.

Mr. CROLL: I think this is the time we should stop.

Mr. GUNN: The War Service Grants Act contains a similar provision.

Mr. CROLL: We slipped up there but this is one that is not going to slip.

Mr. GUNN: That is the situation, gentlemen and this is put forward as the considered recommendation of the department.

Mr. WHITE: Would you just go on and point out what would be in this document? Would you just give us some of the detail?

Mr. GUNN: I think Mr. Garneau could give the contents of the document better than I could.

Mr. GARNEAU: With the committee's permission I would explain this way. When you make an award it is on an approved form regularly in use by the board in which the applicant or recipient over his signature undertakes to inform the board in a formal declaration having the same force and effect as if made under the Canada Evidence Act, to notify the board of any change in his family, domestic or financial circumstances. We just ask him and put him on his honour so to speak, even though the terms are used legally, to notify us of any change that may affect his allowance. The board after studying the application and the relevant documents including medical evidence if it is relevant, and inspector's reports, makes an award. Two commissioners sign the award on the same document on which the man made his original application. Garneau will sign or March will sign any of the other commissioners. The award is then in effect. The purpose of using that document to start with is to establish before the court an allowance is actually in payment and has been in payment from which we wish to recover the amount overpaid. Later on in the course of our usual practice or routine we have cause to investigate after a year or fifteen months or whatever may be indicated. The inspector submits his report over his signature stating that the conditions have not varied since the last check and that the man has no extra earnings to declare—that he was emphatic that he only earned so much and that it is acceptable under the act. That may be repeated every two or three years. All of a sudden from another investigation or some check perhaps made by the Auditor General for instance, it is discovered this man has been regularly and steadily employed. Those reports submitted

from the investigators constitute the evidence of the man's attempt to hide the facts as they are. In addition to the investigation in some cases we feel it is not necessary to bother the man too much and where we have had a couple of investigations disclosing nothing out of order, to save time and money and other investigation we send what we call a life certificate. We request that the various sources of income are enumerated and we ask whether he has had any earnings or income under several headings. He declares his property or the transactions which he may have made. He takes the declaration before a notary public and it is witnessed by the wife if he is properly married. It is then sent to the board as being a true statement of his affairs in the last twelve months. It takes only five minutes to complete the form and it is sent or taken to the nearest office. We accept the document at face value. If that document comes under investigation and information also comes to light showing that John Doe has had earnings of \$1,100 last year, we check a little closer and we find he did have some substantial earnings. If it is obviously fraudulent misrepresentation or an attempt to defraud we can prosecute. We have always felt that prosecutions as deterrents should be instituted in the most glaring cases and we have had some glaring cases. We are not defenders of the treasury or anything of that sort but for our own work and peace of mind it becomes rather important that we retain the confidence of the veteran and at the same time that the veteran retains our confidence. We suggest to the legal division that as a result of certain information there is possibly a case for prosecution. Let us say that the legal department decides upon prosecution to enable the courts to deal with the matter. It would be better to have it come under a lighter section, as explained by Mr. Gunn in accordance with one of the proposed amendments. That is one reason and the second reason is that the investigator's report, the original application, and all those documents bearing a proper signature and stamp of the board would be sufficient *prima facie* evidence to avoid the necessity of the commissioners being absent too frequently and too long from duty, whether it be my colleagues or myself. I may be called upon to appear in court in Saskatoon or Vancouver or Saint John. The purpose of that section that all the documentation on file may be made available to the courts so that it will save us from travelling all over the country in order to say to the court "yes, that is my signature."

Mr. CROLL: It is more than saying it is your signature. No one would argue to the contrary if you asked for permission to produce your judgment, the original judgment, with your signature. I think this committee would be glad to approve that. What you are asking us to do is to pass an act permitting you to put in as *prima facie* evidence the report of some inspector. We do not know him and you may not even know him any more than to see him. There are one, two, or three reports on these various things and you are asking the court to accept that report in the same way as your judgment. That is going too far.

Mr. GARNEAU: I do not know whether I made myself clear. These reports are the reports upon which payments of allowances are continued and which we accept ourselves as *prima facie* evidence showing that the man is entitled to an allowance or is still entitled to a continuation of same. I am not a lawyer so please bear indulgently with me on these matters. We continue allowances to a chap on the strength of these reports—Mr. So and So's report whose signature we know, stating that the facts are such. The payments are continued. Then, it is shown to the board that during those years it has paid those sums of money whilst the man, as evidenced by information from some other source, has been employed and has been earning an amount which would exclude him from drawing the allowance.

Mr. CROLL: May I just follow through there? You have an inspector in the city of Ottawa?

Mr. GARNEAU: Yes.

Mr. CROLL: And you have one in the city of Toronto?

Mr. GARNEAU: Yes.

Mr. CROLL: And you have one in the city of Saskatoon?

Mr. GARNEAU: Yes.

Mr. CROLL: If we allowed you to put in your original judgment, from then on your inspector—not you but the inspector—could have evidence, subject to cross-examination, and he could use the reports if he wanted to do so, but I do not think you should ask us to allow those reports to be put in as *prima facie* evidence.

Mr. HARRIS: The section does not do that, it only refers to the adjudication.

The CHAIRMAN: I am confused enough without more than one talking at a time.

Mr. LENNARD: I was going to suggest that the gentlemen stand when they have something to say.

Mr. CROLL: I was just having a conversation with Mr. Harris and he pointed out the word "adjudication". I thought perhaps that might be a solution but when Mr. Gunn got up and talked about the intention, and when Mr. Garneau explained it further, I was satisfied that this is not restricted to the original award but goes much beyond that. That is in my opinion a very serious objection. I agree with Mr. Gunn that the Criminal Code is a very serious deterrent but in the main they have not had to rely on the Criminal Code except in the most flagrant cases of which there are some. I am just afraid that if we approve of the easier method we will see a great deal more prosecutions than we would ordinarily see under the Criminal Code. My own feeling and my own experience is that this act is no different from the Old Age Pensions Act in many respects of its administration. I do not remember, in a period of five years, in connection with the Old Age Pensions Act, having to prosecute anyone. We could have prosecuted under the Criminal Code. I remember some case, particularly in connection with widows' allowances when the allowance was claimed for nearly three years for children who were not their own children. We never found it necessary to prosecute in those cases because we only had the Criminal Code before us.

My own feeling in the matter is that you have done very well up to the present time. I do not know how flagrant the violations are or how much money is lost. If we extend this it may be making it too easy, particularly when we deviate from what is a fundamental principle with respect to onus and the burden of proof. I think we are going very far afield. For that reason, I have enough confidence in the board to believe we ought to leave it to the board rather than try to establish a new principle of evidence, particularly in connection with criminal conduct. I think it is a mistake to do that at this time.

The CHAIRMAN: Perhaps it would be to our advantage if Colonel Garneau could tell us how serious this problem is, how much money it means and how many cases are outstanding.

Mr. BENTLEY: I wonder if Colonel Garneau could tell us at the same time whether the inspiration for this change came from his board or from the law officers of the Crown?

The CHAIRMAN: Let us take one thing at a time. We will come to the conception of it after we have an answer to this question. Have you got the number of cases, roughly, the number of claimants outstanding who might be affected by these proposed changes?

Mr. GARNEAU: I have not got a detailed statement as to the number of cases, as such. Some time ago, I had a statement made concerning the over-payment situation, as I might call it, with respect to the War Veterans' Allowance Board. Our arrears at March 31, 1939, were \$101,249. This sum was built up in the first nine years, as the over-payments outstanding.

Mr. CROLL: Roughly \$10,000 a year?

Mr. GARNEAU: About that, for ten years. Then, from 1939 to 1940—I will just quote the last figure—1940, it stood at \$129,000. I am just giving it roughly, in thousands. In 1941, it was \$188,000; at the end of March, 1942, \$261,000; in March, 1943, \$339,000; that is all cumulative, by the way. In March, 1944, it was \$397,000; in March, 1945, \$456,000; in March, 1946, \$510,000 and as at March 31, 1947—I have not got the figure for this year yet—\$670,000. This is after recoveries have been made of certain amounts.

Mr. BENTLEY: Does that mean the boys are getting smarter or the board is more lenient?

Mr. GARNEAU: I suppose that we are getting too indulgent.

Mr. HARRIS: May I come back to my first question again? Exactly what type of document do you mean, Mr. Gunn, to introduce in court under this section? I am quite agreeable to a certificate from the board that the War Veterans' allowance has been paid to such and such an amount. I concede that could go in easily without having to call the chairman of the board or whoever signed it. I want to know if there are more documents intended to be covered?

Mr. GUNN: As you will notice, Mr. Chairman, this section refers to a document and it is a document which purports to be an adjudication of the board. That is what we want to get in, without dragging in the chairman or the members of the board to prove it.

Mr. CROLL: That is all right.

Mr. HARRIS: It is not all right.

Mr. GUNN: It contains the basis or the facts upon which the award was made. It also bears the signature of the applicant.

Mr. HARRIS: Tell me about that, that is what you said earlier. Do you say that, attached to the decision of the board, are all the documents which have been built up in the course of the investigation?

Mr. GUNN: No.

Mr. HARRIS: Then, what is?

Mr. GUNN: One single document.

Mr. HARRIS: That is his application?

Mr. GUNN: His application, together with the board's decision on it.

Mr. HARRIS: None of these inspectors' reports?

Mr. GUNN: No.

Mr. HARRIS: Any other correspondence?

Mr. GUNN: No, just that one document.

Mr. HARRIS: So, if the man comes in—

Mr. GUNN: It is the formal decision of the board.

Mr. HARRIS: So, if the man comes into court and says, "I did not sign that"; you have him licked?

Mr. GUNN: We have no way, unless we have a witness there who saw him sign.

Mr. HARRIS: Do you not have a witness?

Mr. GUNN: No, the application may be signed anywhere.

Mr. CROLL: Had we not better see the forms. You could show, pro forma, the form of adjudication and let us see what it looks like.

Mr. GUNN: I am sorry, I have not got it with me.

Mr. CROLL: We can wait for it until the next meeting. I think we ought to see it.

Mr. WHITE: Did I not understand the chairman to say that this would also include the various reports made by the investigators on which the decision was based?

Mr. GARNEAU: Not the original documents. When I mentioned the relative documents, those would be the documents accompanying the application form, which is known as VA-6; that would be the investigator's report at the time of the original application, the medical examination and the recommendation.

Mr. WHITE: What is wrong with the suggestion made by both Mr. Croll and Mr. Harris that this document simply contain your decision to grant an allowance to the named veteran, his number, where he lives and so on. What is wrong with that? That is all that is admitted in the ordinary legal practice. So far as these other things are concerned, no court would accept them.

Mr. GUNN: I think it is a step in the right direction.

Mr. GARNEAU: I am on dangerous ground in answering as I do, but that document is not an indictable offence. He has made a statement and the allowance has been approved by the board but it falls short of showing that, later on, he has created an over-payment situation by getting income from some source or other which he failed to disclose and, therefore, rendered himself liable to prosecution. Perhaps I should make it clearer. On the basis of the original application we are satisfied that, at that time, the conditions are as stated and he is entitled to the allowance. We approve that allowance. The events leading up to the over-payment situation generally happen after the application has been granted. He may, for one, two or three years, toe the mark, so to speak. All of a sudden he may get an opportunity to secure employment which is fairly remunerative or, at least, enough to put him beyond the permissive income, and he does not notify us. It is from that time forward the offence takes place.

It may happen that the very first document is wrong. I do not think we have had a case of that type. It is later on, when he is in receipt of the allowance and has been receiving it for a period of time, either long or short, that the case builds up. The subsequent documents to which I referred from the inspector just contain the established facts which have subsequently come to light.

Mr. CROLL: It is all evidence which is available.

Mr. HARRIS: I do not think even the law branch of your department would ask for that. Surely, you are not going to put in front of a magistrate a report by your inspector, signed by the inspector setting out what he thinks or claims to have heard.

Mr. GUNN: That is not the intention.

Mr. HARRIS: I know it is not, so we will leave it over so you can bring us the form.

Mr. GUNN: If I may make this suggestion; I think Mr. Croll and Mr. Harris have raised an important point in regard to prima facie evidence, making the production of a document prima facie evidence. I agree that may be a rather important thing. If that is the only objection, would you be agreeable to striking out those parts of the section making the contents prima facie evidence? Then, it would read like this:

In any trial or proceeding under subsection (1) or under the Criminal Code the production of a document that purports to be an adjudication of the board shall be receivable in evidence without proof of the official character of any person appearing to have signed the document and without further proof thereof.

Mr. CROLL: Yes.

Mr. HARRIS: It does not improve my objection at all because, originally, when I asked you to describe an adjudication you said adjudication was a decision of the board with the application of the veteran attached thereto.

Mr. GUNN: So I am informed.

Mr. HARRIS: That does not make any difference here because you have put the veteran in a position where he cannot deny he signed the application you present in court.

Mr. GUNN: He may.

Mr. HARRIS: You are going to say he signed it?

Mr. GUNN: It is only prima facie proof and he has the right to deny it.

Mr. HARRIS: As long as you attach that to your section, I am going to oppose it. As long as you want to produce anything signed by the chairman by way of adjudication, I agree with that. The minute you introduce any other documents signed by the applicant, I am opposed to it.

The CHAIRMAN: Will the applicant not be in court?

Mr. CROLL: You bet, and probably wishing he were not. Bring along one of those adjudication forms so we can look at it.

The CHAIRMAN: We are almost through with this particular piece of legislation. There will have to be a motion to re-number the clauses due to some of the deletions. There is still the conclusion of this matter which has been raised by Mr. Gunn on behalf of the department.

A suggestion has been made and I now put it to the committee that we sit at 8.30 tonight. We have not sat for two weeks and it is urged we should try to conclude this matter. We still have two bills to discuss and there are five or six groups who have asked to be heard. If the committee concurs in that I will accept the motion that we adjourn until 8.30.

Mr. WRIGHT: Could we make it nine o'clock? It is private members' night.

The CHAIRMAN: Some members thought we should sit from 8.30 to 10.30.

Mr. Lennard moves we sit tonight at 8.30. Those in favour? Contrary?

The motion is lost.

The committee is adjourned, then, until tomorrow afternoon at four o'clock.

The committee adjourned, to meet again on Wednesday, June 2, 1948, at 4 p.m.

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HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 21

WEDNESDAY, JUNE 2, 1948

WITNESSES:

Mr. W. S. Woods, Deputy Minister, and Mr. W. G. Gunn, Counsel,
Department of Veterans Affairs;

Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board;

Mr. J. W. MacFarlane, Director of Old Age Pensions, Department of
National Health and Welfare.

OTTAWA
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1948



MINUTES OF PROCEEDINGS

WEDNESDAY, June 2nd, 1948.

The Special Committee on Veterans Affairs met at 4.00 o'clock p.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Benidickson, Bentley, Blanchette, Bryce, Dickey, Dion, Gauthier (*Portneuf*), Herridge, Jutras, Lennard, MacNaught, Matthews, Pearkes, Quelch, Skey, Timmins, Viau, White (*Hastings-Peterborough*), Wright.

In attendance: Mr. W. S. Woods, Deputy Minister, and Mr. W. G. Gunn, Departmental Counsel, Department of Veterans Affairs; Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board; Mr. J. W. MacFarlane, Director of Old Age Pensions, Department of National Health and Welfare.

Consideration of Bill 196, An Act to amend the War Veterans' Allowance Act, 1946, was resumed.

Mr. Bentley moved:

That, in the opinion of this Committee, the government should give consideration to amending The War Veterans' Allowance Act, 1946, as follows:

Part IV

22. (1) by striking out subsection (b) and by re-lettering the following subsection (c) as (b).

After discussion, and the question having been put on the said motion, it was resolved in the negative.

The Committee proceeded to consideration of the amendment proposed by Mr. Gunn at the last sitting.

After discussion, certain amendments were made in the Department's draft and, on motion of Mr. Dion:

Resolved,—That the Bill be further amended by the addition of the following clause:

"Section twenty-five of the said Act is repealed and the following substituted therefor:

"25. (1) Any person who knowingly makes any statement or gives any information that is false in any material particular for the purpose of obtaining an allowance for himself or for another is guilty of an offence and is liable on summary conviction to a fine not exceeding two hundred dollars or to imprisonment for a term not exceeding three months, or to both fine and imprisonment.

(2) In any trial or proceeding under subsection one or under the Criminal Code the production of a document that purports to be an adjudication of the Board shall be prima facie evidence of the facts stated in such adjudication and shall be receivable in evidence without proof of the official character of any person appearing to have signed the adjudication and without further proof thereof.

(3) The amount of any payments of allowance made by reason of wilful non-disclosure of facts or of fraudulent misrepresentations shall be recoverable from the recipient as a debt due to the Crown".

At 6.00 o'clock p.m. the Committee adjourned until Thursday, June 3rd, at 11.00 o'clock a.m.

A. L. BURGESS,

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 2, 1948.

The Special Committee on Veterans Affairs met this day at 4 p.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Before I proceed with the ordinary business of the meeting I should like to say to you that in accordance with the motion moved by Mr. Bentley and acquiesced by the committee as a whole the clerk has written to the Honourable Brooke Claxton, K.C., P.C., M.P. in the following terms:

At a meeting of the Special Committee on Veterans Affairs held today I was instructed to express to you the thanks of the committee for making a plane available to members who desired to attend the National Convention of the Canadian Legion in Saskatoon.

The committee also wish me to ask you to convey to the members of the R.C.A.F. crew their appreciation of the fine and courteous service rendered during the journey.

That will be sent forward. When the committee rose yesterday we were in the midst of a legal discussion concerning which I, and I suspect most of the members of the committee who are not lawyers, were completely in a fog.

Mr. LENNARD: Where are all these bright lawyers, by the way?

The CHAIRMAN: It deals with the proposed amendment which has been put forward by the department in order to deal with the growing problem of overpayment as a result of fraudulent representations on the part of the beneficiaries. That is the first order of business. In the course of our discussion yesterday there was a request from some members of the committee, both of them notably absent at the moment, that Mr. Gunn, the departmental solicitor, should clarify certain points. I think perhaps we might begin at that point by asking Mr. Gunn to let the committee have his answers to the questions which were raised yesterday, and to explain to the committee what the proposal really involves.

Mr. LENNARD: May I suggest if some members of the committee arrive twenty minutes or half an hour late that we do not want a repetition. We do not want to have to go over the whole thing again.

The CHAIRMAN: I think there will be no dispute on that, but I am in the hands of the committee.

Mr. LENNARD: Those who raised all the fuss are not here.

The CHAIRMAN: Perhaps as a matter of procedure it would facilitate the business of the committee if we dealt with any other matters that the committee wishes to raise with respect to this bill first. With the consent of the committee I will stand over that discussion for a few moments.

Mr. BENTLEY: If you have that consent may I introduce an idea I have? It refers to subsection 1 (b) of section 22 in part 4 of the War Veterans' Allowance Act. That clause reads:

Subject to the provisions of subsections (2) and (3) of this section, payment of an allowance shall be suspended while the recipient is resident out of Canada.

It seems to me that when a veteran has all the necessary qualifications or disabilities, whichever way you want to put it, to qualify for the veterans' allowance,

that he has proven several things. He has proven first of all that he is elderly, and therefore is unlikely to improve very much in his earning capacity, so he needs it on that ground. He has proven that he has been a veteran of the first world war in the cases of those up to date. That is a qualification. He has proven he is in need because of his age and because of his lack of earning power. Having proved that and qualified for a war veterans allowance why do we want to prevent him living in some other place where he maybe spent his boyhood, and would like to return to spend his old age?

The CHAIRMAN: Mr. Bentley, are you thinking particularly of the chap who came up from the United States, for instance, where he may have spent his boyhood, and lived here and served in the Canadian forces, and has lived here subsequently and now desires to go to the United States? The same thing would apply, of course, to the chap born in England or some place like that.

Mr. BENTLEY: That is what I am trying to get at. He has performed all his duties of citizenship but he did come originally from another place. Having qualified under the Act why do we not let him have it wherever he wants to live? The reason I say that is that I do not see any likelihood of that man going to England or South Africa or the United States and getting a job where he can earn big money. He has already proven he is unable to earn a living here; otherwise he would not get the grant. He has already proven he is old so he is not likely to improve in his earning power. All that has been done. Why not let him live, like a judge or any other pensioner, where he likes on his little allowance? I am going to move in that connection that subsection 1 (b) of section 22 be amended by striking out subsection (b) and by relettering the following subsection (c) as (b).

Mr. WOODS: I think it should be clear that this is not a pension as of right. It is social legislation, and in that respect it is comparable to old age pensions, and so forth. So far as I know, no country pays benefits under social legislation out of the country where the taxpayers raise the money and pay. The Old Age Pension Act does give them permission to be absent at the discretion of the commission, as Mr. MacFarlane pointed out the other day, and they can reinstate the old age pension after they return within a reasonable time, but if they move out of the country and establish residence elsewhere they lose it. That applies to social legislation everywhere so far as I am aware. The benefits are not paid outside of the country.

Mr. BENTLEY: I agree that it is the universal practice as far as I know, but so is sin, and I do not agree with either one of those things, either sin or this particular ruling.

I cannot move anything here in connection with old age pensions. I have certainly supported such a thing with regard to old age pensions. I think it is a wrong principle that an old age pensioner or any other recipient of social security measures must remain here where we can watch him grow old and see that he will never have a cent more under any circumstances than we permit. I cannot deal with old age pensioners here. Whether or not it has been the universal practice I think it is wrong, and when I think a thing is wrong I am prepared to do my best to have my country do what I think is right, and so I am proposing this amendment.

The CHAIRMAN: Gentlemen, the motion which has been moved by Mr. Bentley does not, I think, affect any considerable number of beneficiaries under the War Veterans Allowance Act. For the most part I think it is true to say the majority of these people who are at the age of 60, or are incapacitated at an earlier age, will have a natural desire to live in the country where they have always lived and where they can be nearer to their families if they have one. I have profound sympathy for the type of exceptional case which Mr. Bentley outlined, but I take the liberty—and I have not done it very often from the position which I occupy here—to suggest to the committee that to

accede to the motion is a radical departure from the principle which has been in general acceptance, not only here but elsewhere, with respect to social legislation.

In my mind there is a distinct difference between a pension which one has earned as a result of public service, as in the case of the civil service, or as a result of private service as in the case of a man who has been employed by a corporation or company or in any other capacity other than the civil service, and something which has been designed, as in the case of the war veterans allowance, for the express purpose of assisting citizens of a specific country, in this case Canada, to maintain an adequate existence within the social set-up of Canada. If this were a matter which involved even considerable numbers—and I suggest it does not—there might be in my own view some reason for a variation from what has become the established principle of all social legislation. Under the circumstances I suggest in my capacity as a member of this committee, and not in my capacity as chairman, if I may do so, that the committee ought to think seriously before we breach the principle which has been pretty clearly established that in matters of social legislation it is not something which is received as of right as in the case of a civil servant who comes to a pension, or any contributory pension, but something which is a grant in aid in effect to assist a person to maintain himself within the Canadian economy. For that reason, not because I or any member of the committee would desire to prevent even one old sweat, if I may use the expression, to live out his last days under conditions which would be most congenial, I do suggest in view of the narrowness of the application of it there is some responsibility on the committee to maintain the principle which has hitherto been valid in all social legislation. That is a personal opinion which I desire to give to the committee. The chairman of the War Veterans Allowance Board has indicated to me he would like to say something about the application of it with respect to the Act. Perhaps he might be given that opportunity.

Mr. HERRIDGE: Mr. Chairman, would he also give us some idea of the present situation?

The CHAIRMAN: I am sure he will.

Mr. GARNEAU: I only wanted to point out in connection with Mr. Bentley's recommendation or proposed amendment—and I say this just for the purposes of the discussion at the moment—that irrespective of the principle discussed and put forward on the ground of social legislation, old age pensions, etc., there is a factor of an administrative order which is involved in that policy as long as we must have a means test in the War Veterans Allowance Act.

Mr. BENTLEY: I would like to break that.

The CHAIRMAN: This would not do it.

Mr. GARNEAU: The point is we have no facilities for checking. We do not want to hound them, as I said before, as to what their earnings are, but we must exercise a certain amount of administrative precaution in the case of people receiving allowances. We could not check very well in the United States, England, Australia, or any of those places, unless we set up certain machinery or else came to depend, by possibly rather involved arrangements, on the good will of the social organizations of the countries where the veteran might go to live. I submit that hits directly at the principle which is inherent in the Act at present that earnings or income must be limited to a certain amount. As I said it would be very difficult, if not impossible, for us to exercise any supervision over those people.

Mr. Bentley mentioned that once a veteran has reached relatively old age, say over sixty, his earning power was less, and so on. I might add as an aside that the majority of our over-payments are not on account of men under sixty, who

generally are limited in their earnings because they are disabled and incapable of maintenance, or for some reason physical or mental, but among that group of men who passed the age of sixty, and still have a certain amount of ability to work, and consequently manage, through past experience and skill in their past trade, to obtain remunerative employment here, there and everywhere. That is where the majority of over-payments arise. Even though we might look sympathetically on them on account of their age they are the very people who might go across the border or to another country and obtain work, which I have no objection to, but which it would be impossible to control from the standpoint of income. This very point came up, I believe, in the committee of 1946, and as a result these are the instructions or explanation that are given in our information leaflet to the veterans with respect to that situation, and is the practice followed by the board at the present time.

The allowance is not payable outside of Canada except that the board may allow an absence of three months in any twelve month period for the purpose of a visit or a holiday.

The CHAIRMAN: Is that by regulation?

Mr. GARNEAU: Yes, that is a matter of agreed policy by the board. It is a matter of our interpretation, so to speak.

Payment of the allowance is suspended during such period of absence and resumed with the necessary adjustment upon return of the recipient if otherwise still eligible. The board must be notified of the recipient's departure and again upon his return.

The man may go away and we must suspend the allowance as required by the Act, but if he comes back within three months we only expect from him a short declaration which we do not probe—it would be impossible to verify the source, anyway—as to whether while he was away in California or any place like that he made any money. I refer to British Columbia recipients and recipients in New Brunswick who go to Maine. A lot of them do cross the border at times. They come back and we ask them, "have you made any money?" "Oh, no, I was over visiting my daughter or my son and I am coming back here." We put the allowance back in payment as from the date he left nine times out of ten, if not in every case. Provided he lets us know when he goes away and when he comes back; he actually does not even lose that allowance for the three months. That is the practice of the board, and as I pointed out it would be very difficult for any longer period, or permanently as you suggested, to keep tab on things according to the provisions of the Act as it is at present.

Mr. QUELCH: I think that as long as provision is made so that the allowance can be paid to a man when he is just absent two or three months from this country that is probably as far as we should go because after all social legislation is only for people whose domicile is in Canada. There is the difficulty raised by Colonel Garneau that we would have absolutely no check on the additional income a man might have. We would all like to see that struck out and have no means test, but as long as the means test is in there there is no reason why those who leave the country should have greater benefit than those who stay in the country.

There is the other question of the value of the dollar. No doubt if the allowance is going to be paid to people who would leave Canada a lot of them would think the best thing would be to go to a country where the dollar is worth twice as much as here. They might go to France on account of the franc being devalued.

The CHAIRMAN: It is hard to get enough to eat.

Mr. QUELCH: I understand they live pretty well as long as you have got the money to pay for it. If a man went into some kind of small holding he

would have certain means of living. I think in order to get the benefits in this country one should live here. Of course, some people may say, "What about a pension?" A pension is as of right. It is a recognition of service given. That is a different matter altogether. I think any kind of social legislation should only be paid provided the recipient resides in Canada.

Mr. HERRIDGE: I always find it difficult to disagree with my good friend, Mr. Bentley, but Mr. Quelch has put into words what I was thinking. I think the administrative difficulties would be greatly increased. In fact, I think it would get entirely out of hand under the present Act as long as we have any form of means test. I believe, too, that in social legislation those people who wish to take advantage of it should reside in Canada and spend the bulk of that money in Canada.

The CHAIRMAN: If there is no further discussion the question is on the motion of Mr. Bentley. It is moved by Mr. Bentley that in the opinion of this committee the government should give consideration to amending the War Veterans Allowance Act, 1946, as follows:

In part 4, clause 22, section 1, by striking out subsection (b) and by relettering subsection (c) as (b).

The clause which the motion strikes out is subsection (b) which reads:

An allowance shall be suspended while the recipient is resident out of Canada.

The chairman of the board has pointed out that for visits which do not involve residence it is a suspension and not a cancellation. Those in favour of the motion signify by raising their right hands. Those opposed? I declare the motion lost.

Mr. LENNARD: May I ask one question there? If through ignorance a party left the country on a visit and did not know they should report their absence would they be penalized?

Mr. GARNEAU: No, not strictly on the grounds you have just mentioned.

Mr. LENNARD: I realize they might have other reasons.

Mr. GARNEAU: Yes. They would not be penalized as such. Of course, there may be the exceptional case. That clause is pretty well known. If a veteran is away his cheque would be mailed to his former address and he would soon write from the United States to say that he had not received his cheque, and we would thus be informed. It has not created any difficulties except in some cases where deliberate arrangements have been made, if I may mention that incidentally, to have cheques mailed to that address, endorsed, returned and cashed in Canada. That is another situation.

The CHAIRMAN: There is no problem, as I understand it, in the case of a man who goes away for his holidays?

Mr. GARNEAU: No.

The CHAIRMAN: Probably a month or something of that nature. Then, gentlemen, that brings us to—

Mr. LENNARD: I do not think you need to hold up Mr. Gunn any longer if they are not coming. They should be here by now.

The CHAIRMAN: I was about to say that we would now consider the proposed amendment to bill 196. I think that Mr. Gunn, in response to a request from some of the lawyer members of our committee, is prepared to produce the document in question. I think three of the four lawyer members of the committee who were in some doubt about it are not with us for probably good reasons. Perhaps Mr. Gunn can explain to the satisfaction of the committee what it is proposed to do.

Mr. GUNN: Mr. Chairman, I was requested yesterday to bring in and table with you a copy of the document that is affected by this particular amendment. It is this one I have in my hand. It is entitled, "Application for allowance." I will leave it with you. The pertinent part of this document, however, is found on the last half of the fourth page. It contains the decision of the War Veterans Allowance Board in which the chairman and the commissioner or two commissioners are required to sign their adjudication. That is the material that it is desired to get before the court, the fact that a decision was made by the board, and without producing the persons who actually came to that decision. Nothing further is involved, merely that.

The CHAIRMAN: Do I understand, Mr. Gunn, this is the only document which it is desired to have admitted before the court as *prima facie* evidence?

Mr. GUNN: Just the decision of the board. This particular one deals with the veteran's application. There is a similar one dealing with the application of the widow, and there is a similar one dealing with the revision of an existing award. The decision of the board is what it is hoped to get before the court without the production of witnesses. It has been pointed out to us by the Department of Justice on more than one occasion that some of these prosecutions are going to involve tremendous expense by having board members go from here to Vancouver or Halifax or Winnipeg or any other place to appear in court and say, "Yes, I was one of the persons who signed this award." Mr. White said the other day, "Why should these people not go?" They have important duties to perform. Their time is valuable.

Mr. WHITE: Let us see the form, please.

Mr. GUNN: I will let you look at this.

The CHAIRMAN: I think, Mr. Gunn, the point at issue the other day, when we were discussing this matter was—and I realize that I am on dangerous ground not being a barrister—that the point at issue was not that there was exception taken to the admission to court of this single document as *prima facie* evidence, but the difficulty arose out of the suggestion perhaps conveyed by Colonel Garneau as chairman of the board that accompanying this there would be certain other documents admitted as *prima facie* evidence, and my understanding from you is that the amendment proposed by you does not involve the admission as *prima facie* evidence of other than the original application signed by the applicant, and he will have an opportunity in court of denying his signature if he so decides, together with the decision of the board; and that the point at issue is this, that the court shall admit the signatures and the seal of the board as *prima facie* evidence.

Mr. GUNN: The signatures and the amounts awarded. The decision of the board is set out in the document itself.

Mr. DICKEY: Before I say a word or two I wonder if Mr. Gunn would clear up something for me. He also mentioned yesterday that there were other adjudications relating to continuance of award in certain cases and that there was included in a decision or adjudication of that kind some resume or abstract of the facts secured by an investigator upon which that adjudication was made; is that correct?

Mr. GUNN: That only applies to the cases that are now in payment and a life certificate is obtained. This document is called a life certificate and it is signed by the recipient and indicates his financial condition as of that date, and as a result of that life certificate going in the board must—that is if it shows any change in the circumstances under which this recipient lives—then the board must look at his application again and make another adjudication. They might cut him off or reduce him or even increase him. That is another type of decision, Mr. Chairman, we would hope to have brought before the court.

The CHAIRMAN: Here again this would involve a decision of the board which would be formally made as such. The immediate request would be that this decision of the board should be admitted as was the decision of the board in the case of entitlement.

Mr. GUNN: Any decision of the board bearing on the award can be produced in court without proof of the signature of the board members.

Mr. WHITE: Mr. Gunn, why could we not take what follows, the qualification service, which is the order of the board, and just file that? That would be brief; only dated, with the name and number and so on, and the amount of the award and the date from which it would be effective. If you propose that, I do not think there would be any objection at all, but if I understand you correctly you mean that this document completed, signed and sworn to, is to be accepted as *prima facie* evidence without further proof thereof, and I am absolutely opposed to it; I say frankly I am surprised that the solicitor for the department would even suggest or recommend any such procedure that makes it possible to produce and file that document without further proof.

Mr. GUNN: Mr. Chairman, I might mention that this proposition was put forward by a very learned counsel of the city of Toronto who was employed by the Department of Justice to handle a prosecution, and it is as the result of very careful deliberation on the part of the Department of Justice that this amendment is brought forward.

Mr. WHITE: You know in many cases what happens when this is filled in. It says on the top of the declaration that this declaration must be read to the applicant and his wife by the person taking the declaration. Probably in eight cases out of ten it is not read to them.

Mr. GUNN: We are not concerned with that at all—with the extraneous material in this document—we are concerned with the decision.

Mr. WHITE: Would you agree, Mr. Gunn, that from here down (indicating) what ever is filled in there, that would be filed, and leave out the rest?

Mr. GUNN: No, I would not agree to any change because I feel it to be not what we want.

Mr. WHITE: Well, that is too bad.

Mr. GUNN: The department wants this; and on the interpretation that you or some other lawyer may give in some court we might find ourselves out of order.

Mr. WHITE: I claim that you are technically taking away from the veteran the right that every civilian has. You even have it that this is to apply to a prosecution under the Criminal Code. How are you going to amend the Criminal Code by this—

Mr. GUNN: We are not amending the Criminal Code.

Mr. WHITE: You say here, "in any trial proceeding under subsection (1) or under the Criminal Code." You said yesterday you could proceed today under the Criminal Code. If this passes you will still be able to proceed under the Criminal Code.

Mr. GUNN: No, my learned friend is mistaken. We do not propose to amend the Criminal Code at all; but it does involve possible amendment to the Canada Evidence Act, and that is all it amounts to—just the ability to get in this decision without bringing the members of the board all over the country for that purpose.

Mr. WHITE: You do not need to bring the members of the board all over the country. Nobody is going to object to you filing in court a simple statement as to the order made by the board and the award and the amounts. Nobody

is going to object to that. But I think every member of the committee will object to filing a long statement like that and have that accepted as *prima facie* evidence without any further proof thereof.

Mr. GUNN: With great respect, Mr. Chairman, I want to point out that this proposed amendment imports the production of a document that purports to be the adjudication of the board. Now, this document has on the left page the words, "Decision of the War Veterans' Allowance Board." My friend wants to quarrel over the words, "adjudication" and "decision," which I submit to you, Mr. Chairman, are practically identical.

Mr. WHITE: Just a moment. I will agree to change the word "adjudication" to "decision". Are you willing that this part—call it whatever you want—will satisfy you?

Mr. GUNN: That is all we are asking for.

Mr. WHITE: And this document will not be filed as a whole document?

Mr. GUNN: How can you put in a part of a document without putting in the whole document? We are only concerned with the decision of the board.

Mr. WHITE: Just the decision of the board.

The CHAIRMAN: And that the amendment should be worded in such a way that all that the amendment would permit the board to file as *prima facie* evidence would be the decision of the board which, if you preserve your present document, would have to be in the nature of a supplementary document, which would be a repetition of that part of the original document—which is a certified copy of that part of the original document which is a declaration of the board. Now, to me—having no legal knowledge except just enough to keep out of the hands of the lawyers—that appears at the moment to meet the request which the department makes. If it does not meet the request which the department makes—and I must say it does not seem to present any great difficulties—if it is essential to the presentation which the department desires to make to the court, perhaps you could tell us what in the first three pages of the form you desire to have accepted as *prima facie* evidence?

Mr. GUNN: We are not concerned with the rest of the material on the file.

The CHAIRMAN: Just what happens to be on that form?

Mr. GUNN: That is all.

The CHAIRMAN: There would be no objection—

Mr. GUNN: The court would not allow the Crown to introduce or to depend on extraneous matter that happens to be in this document.

The CHAIRMAN: It just happens that the form has been so designed that the particulars which you wish to have admitted are on page 4 of the document which does contain extraneous matter which is not admissible under your amendment; is that correct?

Mr. GUNN: That is right.

Mr. WHITE: Why not change it so you have a certified copy of the adjudication and not file that document at all? There is no objection to that.

Mr. GUNN: Where is the difference?

Mr. WHITE: You keep that document out of court.

The CHAIRMAN: At this point my limited understanding of legal procedure deserts me wholly. I cannot see the point at issue between Mr. White and Mr. Gunn—or shall I say between Mr. White and the department, to be more accurate—provided that this statement of Mr. Gunn's with the information appearing on pages 1, 2 and 3 of this particular document is extraneous to the amendment, and that it would not be admissible by the court.

Mr. MACNAUGHT: On that point, Mr. Chairman, if you admit the document at all you admit the whole document. Once a document goes in the whole

document goes in. There is a part on page 3 which I think the applicants will take objection to, and that is the declaration by the wife. Why should the declaration of the wife be prima facie evidence?

Mr. GUNN: It is not.

Mr. MACNAUGHT: If you get this document in at all it is going to be received as prima facie evidence of the whole contents, unless you accept Mr. White's suggestion and only put in the part on page 4. The certificate is what you want.

Mr. GUNN: Mr. Chairman, if you will read subsection (2) carefully you will observe that it is the production of the document that purports to be an adjudication of the board which shall be prima facie evidence of the facts stated therein. That is in the adjudication.

The CHAIRMAN: You would avoid the difficulty—

Mr. GUNN: All the facts stated in the adjudication; I will agree to that.

Mr. DICKEY: That was the suggestion I was going to make, that the difficulty might be passed by substituting for the word "therein" the words, instead of adjudication, "or in the decision of the board and shall be receivable in the evidence without proof of the official character of any person appearing to have signed the document, as a member of the board, and without further proof of such signature".

Mr. GUNN: I will accept an amendment like that.

The CHAIRMAN: Would this amendment meet the difficulty: "In any trial or proceeding under subsection (1) of the Criminal Code on the production of a document that purports to be an adjudication of the board shall be prima facie evidence of the facts stated"? Such decision or such adjudication—you said a moment ago that "decision" might be clearer.

Mr. DICKEY: Or even the decision of the board.

The CHAIRMAN: Such decision of the board.

Mr. GUNN: All right.

The CHAIRMAN: And strike out the word "therein"; and "shall be receivable in evidence without proof of the official character of any person appearing to have signed the document." Now in this case you would have to take the document out and sign the adjudication or decision—sign this decision in good English—whatever you may say about good law—and sign this decision, without further proof thereof.

Mr. GUNN: I do not think you need all that additional verbiage. I do suggest that if the amendment is made along the lines of Mr. Dickey's suggestion—strike out the word "therein" and put in the words "such adjudication," that will certainly clarify it.

Mr. TIMMINS: Is it the certificate of adjudication you are going to file?

Mr. GUNN: No, it is the original.

Mr. DICKEY: No. I submit that Mr. Gunn is on sound ground; a court will not normally accept a certified copy, but they would accept the original document or that part of the original document which an enabling statute would permit them to accept.

The CHAIRMAN: In that case it would read: "Shall be prima facie evidence of the facts stated in such adjudication and shall be receivable in evidence without proof of the official character of any person appearing to have signed." Now, the word is "the document"; do you not think we had better say, "this adjudication"—I prefer the word "decision"; "sign this adjudication and without proof thereof." Would that, Mr. White, meet the objection you have?

Mr. DION: You file it in the record; it is all in the record; you cannot have one part of it in the record. If you file it you have the declaration of

the wife, and the wife never can be asked to witness against the husband—not in court. You must place that in the record. I think this is against the principle of law.

Mr. TIMMINS: There must be some reason why they want the whole document in. The rest of the document, in the opinion of every lawyer here, would not be a matter for consideration; but as has been expressed by one of the other members, the person adjudicating on the matter cannot close his eyes to that part of the document which may be explicitly extraneous. It is fundamental in law that if you put something in, the person adjudicating upon it has a right to look at the whole document.

In Ontario, having regard to prosecutions under the Liquor Control Act, the certificate of the analyst for the government with the signature on it is accepted as *prima facie* evidence of the fact that the particular spirituous liquors have been analyzed and this is the proper analysis. I think this is all Mr. Gunn wants here; he wants to know that the adjudication is the adjudication of the board, and that these are the proper signatures, and nothing more.

The CHAIRMAN: If you must have an original document, the form which is set up at the present moment is this form, and the original certificate of award is made on that particular form; and if the objection is removed, and if you prove it is a certified copy, it would involve the amendment of the present form and the institution of two forms, one to be the declaration of the applicant and the other to be the adjudication of the board to be appended thereto; and the second one only would be admissible. I just have not the knowledge to know whether or not that is an important point, but clearly the two points are in conflict. If it be true that you must admit the original document, and if it also be true that the undesirable part of this document which Mr. Gunn has described as extraneous should not be admitted, then any decision on that score would involve a changing of the system and the creation of two separate documents for the purpose of application and adjudication.

Mr. HERRIDGE: Along with some other members of the committee I am not acquainted with the fine points of the law, but I can think of a concrete case, and I should like to ask Mr. Gunn a question. In view of the fact this man is out of my own battalion and the circumstances are rather unusual might I go off the record?

The CHAIRMAN: Yes.

(Off the record).

Mr. WHITE: I should like to ask a question. At the top of page 4 of that form where it is signed by the district administrator there is a little space in here. What sort of information would go in there?

Mr. GUNN: The top of page 4?

Mr. WHITE: Over the signature of the district administrator.

Mr. GUNN: I think Colonel Garneau might answer that.

Mr. GARNEAU: That is only a guiding recommendation by the district sub-committees which we have in each district to help and guide the board in its decision. They have seen the man. They have examined the relevant documents, and in their opinion they will recommend favorable consideration by the board or otherwise, but that has no binding effect on the board. It is merely a means to an end to enable us to get a more complete picture and to make sure that the district office have given full consideration to the case that is presented to us. It is added insurance that all factors have been carefully studied, and all favourable information or otherwise has been made available.

Mr. WHITE: I understand that, but the point I have in mind is that Mr. Gunn wants to give the impression that the magistrate or judge is simply

going to look at this little bit. If I know anything about magistrates and judges they will read what is there and then will turn this page over here and will peruse the whole thing. That information is getting into his mind, and knowing how judges and magistrates act he is forming an opinion all the time from this information which he is scanning here while the lawyer and somebody else are talking. That is getting in without any cross-examination and creating an impression on the magistrate's or judge's mind which would be most unfair to the veteran and would never be permitted in any other court.

Mr. GARNEAU: I may be on dangerous ground myself, and I am not disagreeing entirely with your viewpoint on that, but I suggest that I do not think that would have any more bearing on the case than to establish—and I suppose it might be vital; I do not know—that this document pertains to John Smith and not Tom Jones. It has to be established that the allowance as recorded under the decision of the board has been awarded to John Smith whose name appears on the top of that document, and that John Smith signed that application. Then the board on the strength of that made an award to John Smith and not Tom Jones, as I said. If you only extract that there is no name—

Mr. WHITE: The judge does not look at this. According to Mr. Gunn he carefully looks at these two or three lines down here.

Mr. GARNEAU: I suppose the judge might assume that document pertains to him. Of course, I have no authority to give any more than a personal opinion but I feel the judge would only look at that to see if this document pertains in a general way to the man before him, and that the board has made an award to that chap who is actually being prosecuted.

Mr. BAKER: I am not a lawyer, but I should like to make a mechanical suggestion. Would it not be possible to have an appendix to that form which could be made detachable, and after the form has been made out you could put the adjudication on it twice leaving one on that original form and having the other detached from that form and kept on file to deal with such cases.

Mr. GUNN: In answer to that I can also answer another question a member raised a few minutes ago as to why we must insist on this form. I think the reason is there are hundreds of thousands of these forms out, and among them there are bound to be some that are bad, some in which fraud has been practised on the department. You heard the story of the amounts involved yesterday, hundreds of thousands of dollars. Surely it devolves upon the department to do what it can to prosecute. I think that is one of the very first things.

The CHAIRMAN: The first duty is to recover.

Mr. GUNN: I do not agree with you, with all respect. The first duty is to see that the offence is punished. We do not use the criminal courts to collect. That is one thing we will not do. We never suggest or warn or threaten anybody whom we find overpaid that criminal prosecution will take place. That would certainly be contrary to all legal ethics. Mr. White will agree with that. We want to get these particular documents available before the court in their present form.

Mr. WHITE: I have a question there. You said a moment ago you were only interested in this little bit.

Mr. GUNN: That is right.

Mr. WHITE: That the judge would pay no attention to the rest of it. I fail to see why the department feels you have to get this document before the court if it is not going to be used in any way against the veteran.

The CHAIRMAN: Might the answer be—

Mr. WHITE: I know what the answer is. I want Mr. Gunn to say so.

The CHAIRMAN: Might the answer not be this? I am asking for my own information. I think the committee will realize I am at a considerable disadvantage in this matter, not being a lawyer. The point at issue seems to be that there has been substantial fraud. We know there is half a million dollars increase in the matter of eight or nine years in spite of recoveries. The second thing is with respect to those frauds which have been perpetrated up to now the only document upon which the prosecution can be launched is the document which does exist which is the document, a copy of which you hold in your hand, and that to substitute another document for that would from here on present the department with an adequate opportunity for prosecution, but that it would rule out prosecution in the case of the \$600,000 worth of fraud which has been proved to have been perpetrated up to the moment. Is that not the situation?

Mr. GUNN: That is quite right.

Mr. DICKEY: Is it not a fact when you now prosecute under the Criminal Code that a member of the board who has signed this document comes into court and proves his signature and that document is admitted?

Mr. GUNN: And then he goes home.

Mr. DICKEY: The fact is that the whole document is now admitted. It is simply produced and he proves his signature and it goes before the court. That is true, is it not?

Mr. GUNN: No, I do not agree with the suggestion Mr. Dickey makes. A member of the board comes in and proves he signed this document as one of the members of the board, and that is the decision of the board. From that point on the Crown has to build up its case. It brings in one of the departmental inspectors who knows the man and is able to tell the story from start to finish.

Mr. DICKEY: I am afraid you misunderstood me. This document as an original document is brought into court. It is marked and the member of the board identifies his signature and says, "That is the document I signed. This is the decision of the board." Then it goes into the evidence, does it not?

Mr. GUNN: That is right.

Mr. DICKEY: So I think we are making difficulties here, Mr. Chairman, with respect. The intent of the department in this amendment is, in my view, not to put in evidence anything more than now goes in evidence by the presence of the member of the board who signed the document. The objection that is being taken by the committee, and I think properly taken, is that the wording of the amendment as originally presented—

The CHAIRMAN: Subsection (2).

Mr. DICKEY: Subsection (2)—it was feared by members of the committee it went further than that simple thing of preventing the necessity of a member of the board personally appearing in order to prove his signature and have the document admitted. In a court of law that document would be admitted as simply proof of the fact of the adjudication. I am afraid it was the unfortunate wording of subsection (2) which gave the impression that the enactment was going to permit a court to take as *prima facie* evidence the facts which were in that document but which were not a part of the adjudication. I think we get around the difficulty by the alternative wording suggested, but I do not think it is proper for members of the committee to get the impression that just because the signature and the official decision of the board is going to be accepted by the court as *prima facie* evidence that the court is going to accept as *prima facie* evidence anything else in the document which is not the adjudication and the signature. I think I am right in stating, am I not, Mr. Gunn, that it will not change the practical situation as to whether the judge has the document in his hands and can examine it or anything else. That is the situa-

tion anyway. This document is proved as an official document. It is only admitted by the court for that one particular part of it, but it is all before the court, and you have to depend upon the judge or magistrate to use it properly, and not to take evidence out of it which is not otherwise admissible.

The CHAIRMAN: May I interrupt? Will it then be the case that as to the original part of that document which is signed by the applicant, in this case the accused and his wife, an opportunity will be given in the court for them to challenge their signatures?

Mr. DICKEY: This is my own opinion. If the Crown wants to rely on anything in the affidavit of the applicant they will have to prove that as a matter of substantive proof.

The CHAIRMAN: It will not be accepted as *prima facie* evidence?

Mr. DICKEY: No, no more than it will be if the chairman of the board goes there and swears as to his signature and the fact he sat on the board and made the decision. It still does not have any probative effect as far as the affidavit of the man is concerned.

Mr. WHITE: I should like to ask you a question. If this adjudication clause was not there how would you suggest that a crown prosecutor could get a document like that in the hands of the judge, in the process of building up his case?

Mr. DICKEY: What?

Mr. WHITE: How would a crown prosecutor get a document like that in the hands of the court in building up his case if you took that clause out?

Mr. DICKEY: If the Crown wishes to put in as a part of their case, for instance, the man's affidavit—

Mr. WHITE: I mean this document.

Mr. DICKEY: The man's affidavit is on that. Then they would call the person before whom he swore the affidavit and show him the document and say, "This is exhibit A. You recognize this signature?" "Yes, that is my signature." "What is this document?" "This is an affidavit that was sworn before me by so and so." Then it goes in and it is evidence. If the accused wants to claim it is not his signature—

Mr. WHITE: Leave the accused out of it. He is innocent until proven guilty.

Mr. DICKEY: I know, but that is how it comes before the court. It is proved by the man who witnessed it. If the Crown wants to proceed on the basis of something that is in the inspector's report they call the inspector. He may refer to that document to refresh his memory.

Mr. WHITE: The lawyer who signed the document can only say, "That is my signature." That does not prove anything in the document. The lawyer only says, "That is my signature to the affidavit." That does not prove anything.

Mr. DICKEY: No, but the affidavit speaks for itself. If they want to press that allegation of misrepresentation the affidavit speaks for itself as to what was said in the affidavit. Then it brings in alternative proof of what the correct facts were, and then the court can decide whether or not there has been any special misinterpretation.

Mr. LENNARD: It would not be a stumbling block anyway.

The CHAIRMAN: Gentlemen, we have debated the proposed amendment at some length, and since this is referred to us by counsel and since this is not a court of law, and since unfortunately it happens that I am not a judge, I propose with the consent of the committee that we need not deliberate it further. We have not knowledge of the intent of the amendment. We have

the assurance of counsel for the department that this amendment—and I have seen the documentary evidence to that effect—has been approved by Justice as being in form the same as clauses which exist in other legislation; we have knowledge of the fact that there had been moneys obtained fraudulently; and, in our capacity as members we have some responsibility for facilitating the recovery of these moneys and the punishment of those who are guilty—I think even the contributive fact of making it somewhat easier to punish and to recover will perhaps have some effect on those who appear to be benefiting in increasing numbers, or should I say obtaining fraudulent awards, or obtaining awards by fraudulent means. Therefore, with the consent of the committee, bearing in mind that we do retain in the long run control of the administration of the act, and also bearing in mind that this clause does appear in these terms in other legislation and is not created for the purpose which some members of the committee seem to have anticipated, I propose with the approval of the committee to put the question of whether or not we should carry the amendment with the new clause, which itself has been amended. If it remains as at the present moment as it has been presented to you with these amendments, which have been concurred in by counsel and approved by the department; That in subsection 2, of the new clause 10, in Bill 196 be amended to read as follows:

(2) In any trial or proceeding under subsection one or under the Criminal Code the production of a document that purports to be an adjudication of the board shall be prima facie evidence of the facts stated in such adjudication and shall be receivable in evidence without proof of the official character of any person appearing to have signed the adjudication and without further proof thereof.

The question itself is: Shall the committee carry the new clause 10, in Bill 196, as amended by the committee?

Mr. BENTLEY: I would like to ask one other question. Not being a lawyer I do not know all the implications of this amendment and I do not know how it will affect the bill. I am just wondering how it will lessen the loss, as far as it goes—what was the amount?

The CHAIRMAN: \$600,000.

Mr. BENTLEY: And no doubt it will go back over many years and be applicable to many cases. I would like to know how many veterans over the year since veterans allowances have been in force have been recipients of veterans allowance; and knowing that I would like to divide that into the \$600,000 or whatever it is, and find out up to the present time what it would amount to per individual case. I hope I am not asking for too much, but it will help me to make up my mind.

Mr. GARNEAU: Mr. Bentley, unfortunately I haven't got the exact figures as to the number of individuals who were involved in these overpayments.

Mr. BENTLEY: I did not mean that, what I want to know is this; we have this \$600,000 of overpayments, and that has been built up over the years. What I want to know is, during that time, the total number of veterans who have received this veterans allowance?

Mr. GARNEAU: I would think the total number of the recipients would be around 30,000.

Mr. BENTLEY: That is right now?

Mr. GARNEAU: Right now.

Mr. BENTLEY: Undoubtedly some of these were paid out in the first years of the act after it came into operation, and I would like to know how many that happened to be up to now?

Mr. GARNEAU: We would be paying the allowance, this is just a rough guess, I don't know—it would be around 42,000. That is just an off-hand figure, but I could check that up for you.

Mr. BENTLEY: If I could have it approximately.

Mr. GARNEAU: About 40,000.

Mr. BENTLEY: Then, if you were to take that number and divide it into the total \$600,000, that would work out at about \$15 in the average over all the years this act has been in operation.

Mr. GARNEAU: I would like to mention that is not so much the amount of money involved as it is the fact of the overpayments themselves that is very irritating and takes up a lot of time of the board, particularly at the present time. On this question of overpayments, in the last year we uncovered \$202,000 of overpayments, and there may be more in the offing that will come to light; and I may say that these have come to light chiefly as a result of the Auditor General's inspection staff's activities. The Auditor General is, I believed, rather concerned about the situation; and I suggest that we are trying our best to keep our skirts clean also as far as our administration goes. We do not want to be too hard on them, but when you have individual cases involving overpayments of \$3,800 and \$2,500 and \$3,000, quite a number of them averaging around \$1,000—it gives us an awful lot of hard work and it takes time. I might tell the committee that last year I had sent to every veteran who was in receipt of veterans allowance a "stuffer" I think you call them, a slip with their cheques; begging them—I am repeating that term, "begging"—to be goods sports and keep us informed and save us a waste of time and effort and investigation and check-up and so on, because we are fairly heavily burdened with work; and I just appealed to them to play the game with us as they played it in the past alongside of us; and I left it at that; and none could have ignored the necessity of reporting these incomes or additional earnings. Unfortunately, a large number of these overpayment cases have come to life since then.

Mr. BENTLEY: You are helping me quite a bit. I do not wish to delay proceedings further. I am sure the board are doing everything possible to keep it down. I hope you will bear with me while I ask questions of this kind, but I am sure you can give me the answer to any question I may have to ask.

Mr. GARNEAU: I will do my best.

Mr. BENTLEY: I know you will. Now, what was the general size of the overpayments that have been made? I suppose they range anywhere from \$50 up to the highest amount you mentioned \$3,800; but there must be many which are of a relatively minor amount, which probably do not cause you so much worry.

Mr. GARNEAU: I would say as a matter of principle we worry about all of them; but, to answer your question specifically, these amounts of \$1,000 or so give us greatest concern, and as they come to light we make special investigations, and we find that in almost every case they are deliberate attempts to defraud the government, that they return these routine certificates properly signed and declare "no income", although the contrary is the case as revealed by subsequent investigation. That is when the matter comes to light, the evil—and I use that term advisedly—they keep hidden their true situation which later gives us all that trouble. We do not go into the matter of prosecutions; at least, we do not prosecute and we do not recommend prosecution lightly. It has to be a fairly glaring case, a case where there is absolute intent to misrepresent—a deliberate attempt to defraud; where the case is so glaring that we cannot help but request that consideration be given to legal action in the matter. But for overpayments that may arise inadvertently, as lots of them do, the board deals with them as a matter of routine, takes them in its stride without trying to use a sledge hammer on the recipient.

Mr. BENTLEY: You think then that the amendment now before us would help you to take care of these cases?

Mr. GARNEAU: I sincerely think it will act as a deterrent and render more cautious those who might be inclined to take advantage of what they believe is a situation that may have gotten out of hand.

Mr. BENTLEY: Thank you.

Mr. HERRIDGE: Mr. Garneau said that the functions of his department were different, that they made no attempt to recover.

The CHAIRMAN: I think I put the words into his mouth. I said his duty was to examine, and he said that the duty of his department as such was not the recovery of these amounts, that when it got to his hands it was a question of prosecution.

Mr. HERRIDGE: Just to go on with that, I would agree with that where prosecutions are obviously in order because of fraud, and where it is shown. I have no sympathy personally with anything like that. And I can tell members of the committee that I told the veterans that myself; to write in to the board and tell them yourself what the situation is. I just wanted to ask the colonel this question before he sits down. What is the usual procedure say it is a minor amount, where it is obvious and where it is reported by the man himself? What do you proceed to do in a case where you are informed by the man himself?

Mr. GARNEAU: As soon as we are informed, especially when a man voluntarily comes forward with the information, we analyze the situation from the financial standpoint and advise him of the overpayment that has been created; and when there is no reason to demand a prosecution—and there would be none in cases such as you mention—we will tell him that while he will remain on allowance we shall have to withhold each month from his \$60 or his \$30, as the case may be a sum of \$5, \$10 or \$15 per month, as his contribution towards the repayment, or recovery of the overpayment which has been created.

The CHAIRMAN: That is, he arranges to make the repayment through the board?

Mr. GARNEAU: Yes. I mean to say, the board just states: "your allowance continues at such a rate but so much is being credited against your overpayment"; and after that is wiped out the allowance goes back to the full amount.

The CHAIRMAN: Where he writes in and says; I misinformed you, these are the true facts, inadvertently I have made a mistake, tell me how much I owe, what do I have to do; and your reply to him is, that in view of his assistance you will permit him to arrange for repayment on the basis of let us say \$5 a month—let us take a case where the overpayment is \$60—and that amount is deducted from his allowance cheque for a period of 12 months at the rate of \$5 a month.

Mr. HERRIDGE: The direction must come from the department.

The CHAIRMAN: Yes. In that case the individual writes in and says what do I have to do to clear it up.

Mr. GARNEAU: As I say, we give the veteran every possible chance. There is an exchange of correspondence and we try to get the situation corrected.

Mr. WRIGHT: The question I was going to ask was somewhat along the same lines as the one Mr. Herridge has already asked; but there has been some question in my mind from the statement the chairman just made. Can he give us of the total amount of overpayments, some \$600,000; what amount of that would be recovered through the method he has just described?

Mr. GARNEAU: We have no specific amount in mind, Mr. Wright. We only wish to use that legal authority, if I may put it that way, to prosecute these cases as they come along and which we discover currently are in arrears. In

some cases where we have been unable to make some arrangement with the veteran concerned, that has been done; but it is chiefly with a view to the future, making it easier for us to deal with cases of overpayment that may be coming to light now but where the harm is done so to speak, and that has been the case to the extent of \$670,000—a year ago. But we have not any definite amount in mind as a program of recovery, if I may put it that way, nor do we intend to launch mass prosecutions based on the amount of overpayments which I have stated to you.

Mr. WRIGHT: I do not mean quite that. What I wanted to find out was to have some idea as to how much of that \$670,000 now overpaid would be recovered through action of the kind proposed by this amendment.

The CHAIRMAN: Mr. Wright, your question if I understand it, is how much of the overpayment total would be recovered by the board as a result of the passing of this amendment; is that it?

Mr. WRIGHT: Yes.

Mr. GARNEAU: It is not so much a matter of recovering, as has been pointed out. In some cases we can get nothing at all, and we would be loath in some cases to deprive a man of his property; we would not go at least in my mind, as far as trying to seize his property in satisfaction. We would not do that. The crown might decide on that measure, but we would not recommend that—taking his house or anything like that. But we would like though in cases of deliberate fraud to have the man put out of circulation so to speak for a month or two to teach him a lesson and probably make others more cautious. In some cases there is no hope at all of recovery. The harm has been done. The man has had his extra income and did not notify us and received allowances all the time. Now both his income and allowance stops.

Mr. TIMMINS: I just wanted to say one word. It seems to me that we have this position, that we are placing the veteran in a most unfavourable position as compared to anyone else in the community, or in the country, in so far as the crown's case is concerned. What I mean by that is this: Supposing you were perhaps getting a doctor. You would have to bring the secretary of the Medical Association of Ontario to whatever part of the province the prosecution is taking place in order to prove that the doctor is registered as a member of the medical association. That happens to be the way the law is interpreted. All the department needs in respect to the prosecution of the case of a soldier is that they may save the time of the commissioners by bringing before the magistrate a form which is in fact a decision of the board, that there has been an overpayment made. Now, everything else in the document should be extraneous to the prosecution; but we have always had in the experience of producing certificates the fact that they are subject to cross-examination as well as proof, and of having the judge say, let me see that; the certificate is handed to him by the prosecution, and he sees on the document that the man has been prosecuted for having contributed to the delinquency of a child, and immediately the case is over. I do not think we here want to have any part of making it easier for the veteran to get himself convicted by reason of something which may be in this form and which may be against his interests and by which his case may be prejudiced. I rather think we are putting the veteran in a position in which he is inferior to anybody else in the community. For that reason I cannot support the amendment.

Mr. QUELCH: I think the reason for a good many of these overpayments is largely due to ignorance on the part of the veteran or individual concerned. You take out through the western country from which I come, there are a great many people out there who are not in a position to know what they are asked to sign, but they do their best to fill these forms in. I think probably that is one of the reasons.

The CHAIRMAN: Yes, that is one reason.

Mr. QUELCH: In some cases it would not be recoverable—

The CHAIRMAN: May I interrupt? I think it is fair to say this, Mr. Quelch; and the figures seem to bear it out, and the fact that the department has been quite understandably loath to prosecute under the Criminal Code is probably, and the figures seem to indicate it, that conditions have had a tendency to encourage people to take a chance—

Mr. QUELCH: That might be true in some of the industrial areas, but I do not think it is at any rate the provinces of the west—

The CHAIRMAN: I would agree with you that the west is free of any criminal intent; but I think the fact remains that across the country it does.

Mr. QUELCH: That is probably true, but there are so many old people, people with whom I am quite familiar throughout the west, who do not understand half the questions on these forms they sign. They say, we sign it the best we can and fill it in. I quite appreciate that the law does not recognize ignorance as an excuse; but the fact remains that there is no intent so far as the filling out of these forms is concerned. Now, I quite appreciate that a considerable amount of these overpayments cannot be recovered, and that would be because the individual was continuing to receive higher income than the allowance income; but in a year or two, if the employment situation became such that these individuals were no longer able to get additional income, there may be a day when they will once more become eligible for war veterans allowance, and when that day comes the department would have an opportunity of holding back from their allowance on account of the fact that they owed money to the board. The whole amount might not be recoverable, but the fact that amounts would be withheld on the resumption of eligibility for the allowance would result in considerable savings of money, which all comes to the same thing. So in future a lot of this money will be recoverable inasmuch as you would be saving on the allowances which would be payable to them otherwise. Would not that be a fair statement to make?

Mr. GARNEAU: We will possibly recover contributions like that, but I am pretty well under the impression that it would not be a very large amount. You see, we still have to leave him enough to live on, so the amount we would be able to recover would not be at all excessive. We might be able to deduct say \$15 a month from his cheque. Meanwhile, it seems to me that we should have some kind of a deterrent, some kind of a safeguard; particularly, if these cares continue to pile up as they are piling up today in spite of our very best efforts to prevent them. It looks to me as though the recoveries we would be able to make would be more than offset by the new cases which are coming to light. I did not give you the full amount of our recoveries, but as I told the committee yesterday, these cases are cumulative and they have been building up constantly until they have reached the figure which I gave you a moment ago:

Mr. GUNN: May I just mention this, that these amendments have nothing whatever to do with the recovery of moneys. They have to do with the punishment of offenders and would act as a deterrent to others who might become involved. They have nothing whatever to do with the recovery of moneys.

Mr. QUELCH: That is my point.

Mr. GUNN: That is to say, Mr. Quelch, we prosecute the chap who has practised a deliberate fraud on us, with a view to the effect of resultant publicity acting as a deterrent to others who may want to do the same thing.

Mr. QUELCH: As you say, this will make it easier to prosecute, what I am concerned about is those cases in which might be used where it is not a question of fraud but rather a question of ignorance.

Mr. GUNN: That is for the court to decide.

Mr. QUELCH: That is my concern, when the matter is brought to the courts to decide on questions of this kind.

Mr. GARNEAU: May I say this, Mr. Quelch; we only refer these cases to the legal division in extreme cases. They are not referred as a matter of routine. It is not a question of the legal division coming in and picking out cases. It is only after the most careful scrutiny and investigation that we make up our mind in cases like that, and after every avenue is explored to find out whether there is fraud or whether there is just an error. We have to be pretty well satisfied that we have got all the facts pretty accurately.

Mr. LENNARD: Our time is up.

The CHAIRMAN: Just a moment, we want to finish this particular matter.

Mr. LENNARD: You will have to hurry.

Mr. GUNN: I will only be thirty seconds.

The CHAIRMAN: Proceed, Mr. Gunn.

Mr. GUNN: Mr. Bentley and perhaps others have indicated qualms as to the propriety of putting some teeth into this act. I want to point out that we have similar penal provisions in other acts, and some of them are far more severe than this; and it is only something that is in my opinion part of departmental practice to have some penalty available in the act itself in order to protect public funds.

The CHAIRMAN: Are you ready for the question?

I declare the amendment carried.

Gentlemen, before we adjourn, I should like to say we will meet tomorrow morning at 11 o'clock. The department will propose an amendment tomorrow dealing with the matter which was before the committee yesterday, recommending the fixing of a date for the termination of world war II for the purposes of this bill. I have one other motion: If we finish in time we will proceed with the amendment to the veterans assurance legislation.

—The committee adjourned to meet again tomorrow, June 3, 1948, at 11 o'clock a.m.

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SESSION 1947-1948
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

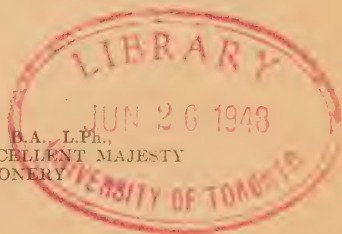
No. 22

THURSDAY, JUNE 3, 1948

WITNESSES:

- Mr. W. S. Woods, Deputy Minister, and Mr. W. G. Gunn, Counsel,
Department of Veterans Affairs;
- Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board;
- Mr. J. W. MacFarlane, Director of Old Age Pensions, Department of
National Health and Welfare.

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1948



MINUTES OF PROCEEDINGS

THURSDAY, June 3, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Blanchette, Bryce, Dickey, Dion, Fulton, Gauthier (*Portneuf*), Herridge, Isnor, Jutras, Lennard, Matthews, Marshall, Parkes, Quelch, Skey, Timmins, Wright, Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister, Mr. W. G. Gunn, Departmental Counsel, Mr. C. F. Black, Superintendent of Veterans Insurance, and Mr. G. H. Parliament, Director General of Rehabilitation; Mr. F. J. G. Garneau, Chairman, War Veterans' Allowance Board; Mr. J. W. MacFarlane, Director of Old Age Pensions, Department of National Health and Welfare.

Consideration of Bill 196, an Act to amend the War Veterans' Allowance Act, 1946, was continued.

On motion of Mr. Dion:—

Resolved,—That the Bill be further amended by the insertion of the following clause:—

Subparagraph (iv) of paragraph (i) of Section two of the said Act is repealed and the following substituted therefor:—

(iv) World War II which commenced in September one thousand nine hundred and thirty-nine and deemed to have terminated (a) in respect of service in connection with operations in the European and Mediterranean theatres of war, on the eighth day of May, 1945; and (b) in respect of service in connection with operations in the Pacific theatre of war on the fifteenth day of August, 1945".

On motion of Mr. Dion:—

Resolved,—That in order to give effect to the resolution of June 1 relating to supplementary allowance, the bill be further amended by the deletion of clause eight and that the necessary consequential amendments be made in clauses four, five and seven.

The title was adopted.

The Bill, as amended, was adopted and the Chairman was ordered to report to the House accordingly.

On motion of Mr. Dion:—

Ordered,—That Bill 196, as amended, be reprinted.

Messrs. Garneau and MacFarlane were retired.

The Committee proceeded to consideration of Bill No. 60, An Act to amend The Veterans Insurance Act.

Messrs. Woods and Gunn outlined the purposes of the Bill, and were questioned thereon.

On motion of Mr. Dion:—

Resolved,—That the Bill be amended by deleting clause 1 and substituting therefor the following:—

1. Paragraphs (a), (b) and (c) of subsection one of section three of The Veterans Insurance Act, chapter forty-nine of the Statutes of 1944-45, are repealed and the following substituted therefor:

- (a) with a veteran at any time within a period of *six* years after his discharge from service or within a period of *six* years after the *twentieth day of February, nineteen hundred and forty-five*;
- (b) with the widow or widower of a veteran during either of such periods, if the Minister has not entered into a contract of insurance with the veteran;
- (c) with the widow or widower of a person who died on service during the war, at any time within six years after the death of that person or within six years after the *twentieth day of February, nineteen hundred and forty-five*;
- (d) with a person who is a member of the Royal Canadian Navy, the Canadian Army (Active Force), or the Royal Canadian Air Force (Regular), and was engaged in service during the war but has not been granted discharge from such service, at any time within six years after the first day of April, nineteen hundred and forty-six;
- (e) with a merchant seaman who received or was eligible to receive a bonus pursuant to The Merchant Seamen Special Bonus Order, or with a seaman who received or was eligible to receive a War Service Bonus pursuant to The Merchant Seaman War Service Bonus Order, 1944, at any time within six years after the *twentieth day of February, nineteen hundred and forty-five*; or
- (f) with any other person if such person is, under the Pension Act, in receipt of a *disability* pension relating to the war, at any time within *six* years after the date of the award of such pension, or within *six* years after the *twentieth day of February, nineteen hundred and forty-five*,

Clause one, as amended, and clause two were adopted.

On motion of Mr. Dion, clause three was amended by the insertion of the words *paragraphs (a), (b) (c), (d) and (e) of* before the words *section one* in the first line thereof.

Clause three, as amended, and the title, were adopted.

The Bill was adopted and the Chairman was ordered to report to the House accordingly.

At 5.45 o'clock p.m. witnesses retired, the Committee adjourned its public sitting and continued in camera.

It was agreed that the representatives of the Dominion Civil Service Association and of ex-members of the R.A.F. Transport Command be heard on Thursday, June 10.

At 6.15 o'clock p.m. the Committee adjourned until Tuesday, June 8, at 11.00 o'clock a.m.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
June 3, 1948.

The Special Committee on Veterans Affairs met this day at 11 a.m.. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Order, gentlemen. Just before we concluded our sitting last night we carried an amendment with respect to the proposed new clause in the bill which would replace clause 10 of the bill, and I have before me another proposed amendment to the War Veterans' Allowance Act—proposed by the department as a result of the discussions which took place here on Tuesday relative to the termination of the war and the desire of the committee that a situation should not arise similar to that which was pointed out by Mr. Pearkes as having arisen after the first war. The proposed amendment is as follows:

- 2 (i) (iv) World War II which commenced in September one thousand nine hundred and thirty-nine and deemed to have terminated
- (a) in respect of service in connection with operations in the European and Mediterranean theatres of war, on the eighth day of May, 1945; and
 - (b) in respect of service in connection with operations in the Pacific theatre of war on the fifteenth day of August, 1945.

The committee will note that what we have proposed to do is to adopt into the War Veterans' Allowance Act the official dates which are set forth with respect to the Civil Service Act as it deals with the veteran.

Mr. LENNARD: Carried.

The CHAIRMAN: Shall this amendment carry?

Carried.

It will be necessary in order to regularize the mass of amendments and deletions that we have resolved with respect to this bill to have a motion in order to give effect to these various resolutions in the redrafting of the bill as amended by the committee.

Mr. GUNN: Mr. Chairman, may I point out—I think you have it in mind anyway—that as a result of the deletion of clause 3 in this bill, clause 10 as it appears in the bill at the moment and which ought now to be clause No. 11, needs one slight amendment. The word “four” in clause 10 of the bill is now inappropriate, in view of the fact that clause 3 of the bill was deleted by this committee.

The CHAIRMAN: The renumbering will be done by the law officers of the House, because the whole bill will have to be renumbered and we will have to reprint the bill before we report it.

It should now read: “Sections five, seven, eight and nine of this Act shall be deemed to have come into force on the first day of October nineteen hundred and forty-seven”; eliminating the word “four.”

We will carry section 10 subject to the necessary amendment.

Now, in regard to this bill, in order to get it into shape to be readily intelligible when it goes back to the House I am going to ask Mr. Dion to move that in order to give effect to the resolutions passed on June 1 respecting supplementary allowances, the bill be further amended by the deletion of clause 8, and that the necessary consequential amendments be made in clauses 4, 5 and 7.

That is what we have done, and it is in order to regularize what has been done. Shall that carry?

Carried.

Now, that, gentlemen, concludes the discussion on the bill itself and the resolutions of which any notice has been given.

Mr. HERRIDGE: Mr. Chairman, before you proceed. On June 1 representatives of the Canadian Legion were permitted to give further evidence with respect to certain things—amendments they desired in connection with this bill—and included was further evidence with respect to raising the basic rate for single men to \$50 and married men to \$85. What consideration is the committee going to give to that?

The CHAIRMAN: To what?

Mr. HERRIDGE: To the further evidence presented by the Canadian Legion on June 1 before this committee with respect to their request for the raising of the basic rate for single men to \$50 and for married people to \$85—in view of the new evidence.

The CHAIRMAN: The situation with respect to that, Mr. Herridge, was made clear at the time. It was pointed out before the Legion made their representations that the committee had resolved with respect to that, but that as a result of the convention and their desire expressed there to present further evidence they be permitted to make any further representations which they desired in order to have them on the record. I pointed out that the ultimate decision with respect to that matter did not lie in the committee but in cabinet; and in order that they might have any further information available to the council when they made their decision we would accept evidence with respect to that, but not argument; and they did not offer that.

Mr. LENNARD: We did have some argument.

The CHAIRMAN: Their argument was specifically with respect to those matters which have not been resolved.

Mr. LENNARD: Oh, yes.

The CHAIRMAN: They spoke on the matter of Imperial veterans and the theater of war—

Mr. LENNARD: And eighteen months.

The CHAIRMAN: And eighteen months. The committee did not see fit, when the resolution was put, to include the eighteen months, so that was left. That is the position.

Now, we have concluded our examination on the bill, subject to any further desire on the part of the committee to resolve in any other respect with regard to the War Veterans' Allowance Act. If there are no further resolutions then, gentlemen, I will conclude the discussion on this bill. We will report the bill back to the House, and then I will, as has been the practice, consult with the steering committee with respect to the phraseology of the report and if the steering committee desire, the matter can be brought back to the committee of the whole before it is tabled. There is no immediate rush for tabling the report. The minister is not here to take it up in committee of the whole, and the House is not short of business at the moment. The benefits are retroactive and no one is suffering on that score.

We have now carried the amendments to the sections, gentlemen. Shall the title carry?

Carried.

Shall the bill as amended carry?

Carried.

Shall I report the bill?

Carried.

Then, in that case I will entertain a motion to reprint the bill for the benefit of the House.

Mr. DION: I so move.

The CHAIRMAN: Mr. Dion moves that the bill be reprinted as amended.

Carried.

Now, we come to our next order of business—

Mr. QUELCH: The recommendations that have been made relative will be reported at the same time, will they?

The CHAIRMAN: As a matter of fact, we are in the position that the recommendations have been met with the passing of this motion and can all be incorporated as amendments to the bill, or deletions; but I will bring the report as it will be constituted to the attention of the steering committee. I shall not table it until I have presented it again through the steering committee to this committee. That is a matter of courtesy which I would expect myself and I shall certainly extend it to you.

Now, before we go on I should like to extend to Colonel Garneau, the chairman of the War Veterans' Allowance Board, the thanks of this committee for his constant attendance here and his patience with us; yes, and I think I should say, his tact at times; because I am sure that in our earnestness we have sometimes implied criticism of himself and his board which we did not feel and which he certainly has never in any sense resented. He has been patient and helpful, and I should like to express through you, gentlemen, our appreciation to Colonel Garneau for the part he has played in making our deliberations understandable, and we hope sensible and acceptable.

Mr. GARNEAU: Thank you, Mr. Chairman. If a return of thanks is in order I shall be very glad to tell you and the members of the committee how much I appreciated being here. Really, from the start I felt that I was almost more a member of this committee than a witness before you.

Mr. LENNARD: Hear, hear.

The CHAIRMAN: Then, there is Mr. MacFarlane who has been attending our meetings representing the Department of Health and Welfare in connection with old age pensions, and on various occasions we have called on him for information respecting old age pensions as related to this matter; and I wish now to extend the appreciation of the committee to Mr. MacFarlane for his help from time to time, and also for the patience he has shown with the committee.

Now, we have before us bill 60, an Act to amend the Veterans' Insurance Act. Yesterday it was understood that that would be the subject of our deliberations immediately at the conclusion of consideration of the War Veterans' Allowance Act. I think you have all got copies of this bill. There are no requests for appearances before the committee with respect to this bill, which is bill G for the Senate and No. 60 on our agenda.

Before we begin a detailed examination of the clauses of this bill, in view of the fact that we are not hearing evidence from outside, I should think an explanation from the deputy minister would be helpful to the committee.

Mr. WOODS: Mr. Chairman, it might be of interest to the committee to know, in as far as the operations under the Veterans' Insurance Act are concerned, that up to the end of April of this year 21,287 applications had been received; the number of applications declined or withdrawn was 997; the number of applications pending or deferred was 478; the number of actual policies issued was 19,812. The value of the applications approved and the policies issued

amounts to \$56,889,000. Sources of premium payment are from pensions 4,575; from re-establishment credits, 6,725; and veterans who are paying cash for their premiums are 8,512 for the total I gave you of 19,812.

Mr. BENTLEY: There was a noise when you gave the figure as to how many had been refused.

Mr. WOODS: The numbers that have been refused, declined or withdrawn, are 907, and pending or deferred, 478.

Mr. BENIDICKSON: What would the reasons be for declining?

Mr. WOODS: In some cases they were suffering from terminal conditions. The superintendent of insurance, Mr. Black, is on the stand this morning, and when you come to a consideration of the bill he will be able to answer any questions that you have in mind, and he may have a breakdown of the numbers who have been declined.

Mr. FULTON: Could you describe a terminal condition for us, Mr. Woods?

The CHAIRMAN: I do not know whether the reporter can hear you.

Mr. FULTON: I asked Mr. Woods if he can tell us what a terminal condition is. He just used the term in connection with turning down some of the applications.

Mr. WOODS: There is a provision in the Act, as members of the committee may recall, in schedule 3, as I recall it, whereby the minister may decline applications from those who are dangerously ill. In short, the Act was not intended to make provision for a man who has a few weeks expectancy of life.

Mr. LENNARD: Is there a medical examination?

Mr. WOODS: Yes, not in every case.

Mr. LENNARD: Is this not a group insurance scheme?

Mr. WOODS: It can be called a group insurance scheme, but when I say there is a medical examination the Act provides that the minister may require a medical examination.

Mr. LENNARD: The reason I ask is that in the majority of cases where there is group insurance as far as factories are concerned no medical examination is required.

Mr. WOODS: On the other hand, it is rather unlikely that workers in a factory would include those who were practically dying.

Mr. LENNARD: No, but I wondered if there was a medical examination as to a heart condition and that sort of thing.

Mr. WOODS: There is only a medical examination where in the opinion of the minister an examination should be called for. The intent of the Veterans Insurance Act is that we wish to make insurance available to what may be sub-marginal risks who may not be able to pass a line company's fairly rigid examination.

The CHAIRMAN: It would be fair to say that a man who had an 80 per cent pension for a heart or chest condition would in all probability be submitted to a medical examination?

Mr. WOODS: Yes, although we may have sufficient information on our files. It does not follow because a man has an 80 per cent pension for a heart condition that he would be declined. If you read the schedule you will find that a differentiation is made between a pensioner and a non-pensioner. Classes 2 and 3 give the details, and that appears as a schedule in the back of the Act. Schedule (b) in the back of the Act gives the type of cases that shall be accepted or that may be declined. The bill that you have before you includes amendments that were suggested by the department as long ago as last February. That bill received its first reading. It has also received the

concurrence of the Senate, but since that time there have been other amendments suggested to the department that the counsel for the department will, with the committee's permission, introduce when the appropriate section in the Act is reached. I wanted to tell the committee the amount of business that had been transacted, and the government now proposes to extend the life of the bill for a further three years. There are several technical items in the bill that can be explained when we come to them.

The CHAIRMAN: Clause 1.

Mr. GUNN: May I say at this stage that clause 1 of the bill has been redrafted in order to introduce the new amendments that the deputy minister has just mentioned. I have a number of copies of the amendments. You may perhaps desire to hand them around.

The CHAIRMAN: If there are not enough to go around give one to every two members. I think there are probably enough.

Mr. GUNN: When the members of the committee have had a chance to read the documents that have now been passed around they will observe that in the proposed clause 1 there is contained not only the subject matter of the original clause 1 but certain additional material. As I say, the amendment contains all of clause 1 as it stands in the bill and certain new features. Those new features are identified by the vertical line in the margin.

The CHAIRMAN: (c), (d) and (e).

Mr. GUNN: (c), (d) and (e). If you like I will give the members a brief running explanation of those provisions.

The CHAIRMAN: I think perhaps before I call the section it would be to our advantage if you would do so. Just tell us what they do.

Mr. GUNN: As the committee is aware subsection (1) of section 3 of the Act names those classes of persons with whom the minister may enter into a contract of insurance, and during what periods. That period has expired, and it is intended to extend the time for three years for those who are yet eligible to participate in the insurance.

Paragraph (a) of the said subsection is that extension to veterans.

Paragraph (b) refers to widows or widowers of veterans and extends the time for three years.

Paragraph (c), I might say, has been introduced for the reason that there has been confusion as to the meaning of the word "veteran" used in connection with widows of men who died in service. As you will agree the word "veteran" contemplates only one who has been discharged from active service.

Paragraph (c) is to enable the widow of a man who died in service to apply for insurance.

The CHAIRMAN: Legally no person who died in service can become a veteran.

Mr. GUNN: That is right.

The CHAIRMAN: So you create a new group to avoid that?

Mr. GUNN: Yes.

Mr. LENNARD: This would be for the widows of all veterans?

Mr. GUNN: Paragraph (c) only applies to widows of men who died in the service.

The CHAIRMAN: Before they could become a veteran.

Mr. LENNARD: They did not have to be overseas? Does not specify active service.

The CHAIRMAN: Died in service.

Mr. GUNN: Anybody who dies while a member of His Majesty's forces.

Paragraph (d) gives to certain members of the permanent force benefits under the Act. This paragraph carries forward into statutory form the provisions of order in council P.C. 467 of the 7th of February, 1947, passed under the National Emergency Transitional Powers Act of 1945, which authorized the benefits of the Act to be extended to members of the permanent force. It should be noted those members of the permanent force who served during the war and have never been discharged have six years from the first day of April, 1946, to contract for insurance. That six years is allowed as from the 1st of April, 1946, for the reason that members of the permanent force first became entitled to take out insurance on that date under the said order in council.

Paragraph (e) carries forward into statutory form another order in council, P.C. 3227, of the 3rd of May, 1947. That order in council authorizes the granting of benefits of the Act to those merchant seamen who received or were eligible to receive a bonus pursuant to the merchant seamen's special bonus order.

The CHAIRMAN: Just at that point, that means that the intent of that section is to make insurance available to men who in effect received danger pay, who sailed in dangerous waters?

Mr. GUNN: Yes, any person who was entitled to receive a bonus pursuant to that order in council.

Mr. FULTON: Will Mr. Gunn or Mr. Woods give us a brief outline of what merchant seamen are covered by that order? As you know, we are constantly receiving representations from merchant seamen that they should receive more benefits under our veterans' legislation. I would appreciate it, and I think other members would, if we could know whether all merchant seamen were covered by that.

Mr. CHAIRMAN: My question was designed to invite that explanation. You have made a point of it.

Mr. GUNN: I will be very glad to deal with that. May I finish my remarks with regard to paragraph (e)? It is now proposed to extend the benefits of the Act to those merchant seamen who received or who were eligible to receive a war service bonus pursuant to the merchant seamen's war service bonus order, 1944. We have two different orders in council there, and the reference to these is merely for the purpose of identifying the beneficiaries.

Paragraph (f) is the same as paragraph (c) in the Act with the exception that it is now proposed only disability pensioners will be permitted to take out insurance under this section. Widows of persons who died during service will receive their benefits under the proposed paragraph (c) above. It will be noted there is no authority under the proposed amendments for the minister to enter into a contract of insurance with the parents or persons in loco parentis of the deceased member of the forces.

Paragraph (f) merely emphasizes the original intention of the Act which did not contemplate that persons, who were in receipt of pensions by reason of being dependents of deceased veterans, would themselves be entitled to come in and ask for a contract of insurance.

Dealing with the point Mr. Fulton raised I have the two orders in council here. The first one in point of time is the merchant seamen's war service bonus order of 1944. I do not think I need to refer to its preamble. It is very lengthy, but clause (3) thereof reads as follows:

Subject to the provisions of this order the minister may pay to any seaman who has signed an agreement in writing, hereinafter called the said agreement, to join a manning pool and to serve at sea on foreign going ships of Canadian registry, as directed by the director of merchant seamen, for a period of two years or the duration of the war, whichever is the lesser period, a war service bonus amounting to 10 per cent of his annual earnings computed and payable as hereinafter provided.

I think clause 4 is pertinent to the question raised, too. It reads as follows:

The war service bonus shall be computed on the total of the seaman's basic pay and war risk bonus for his service at sea on ships of Canadian registry, including basic pay received while accommodated at manning pools between ship engagements.

The rest of the order merely provides how the money shall be paid, and so on.

The other order in council may be found at page 214 of the little booklet we got out for the use of parliament and the departments concerned which contains the orders in council since the 10th of September, 1939. I am sure most of the members have a copy. This is called the merchant seamen's special bonus order and the pertinent sections are section 3 and section 4. Section 3 reads as follows:

Subject to the provisions of this order a bonus of 10 per centum of his total earnings shall (a) at the termination of the war be paid to every seaman who since the 10th day of September, 1939, has served at least six months on ship, if prior to the 31st day of August, 1945, the seaman enrolls in the merchant seamen's reserve or prior to the coming into force of this order signed a manning pool agreement to serve for the duration of the war, or subsequent to the coming into force of this order signs a manning pool agreement to serve for the duration of the war; (b) As soon as practicable be paid to every seaman who since the 10th day of September, 1939, has served at least six months on a ship and who at any time for medical reasons is not permitted to enroll in the merchant seamen's reserve, or in a manning pool, pursuant to agreement made under section 3 of the merchant seamen's war service bonus order, 1944.

That is the order I have just read to you.

Mr. PEARKES: May I ask a question? In the first order you referred to a ship of Canadian registry, and in what you have read now you referred to a ship. Does that extend it to a ship of other than Canadian registry?

Mr. GUNN: No, I do not think it has that effect, but it does extend it to seamen who were in the merchant seamen's reserve. It is an additional clause that is brought in here, and it extends it also to those who signed a manning pool agreement.

Mr. PEARKES: Then a Canadian merchant seaman serving in a British ship would not be eligible for this bonus?

Mr. WOODS: The superintendent says they have had no applications from such.

Mr. LENNARD: Yes, but would they be eligible?

Mr. GUNN: I doubt if they would; without giving the matter a study I prefer not to give an official opinion.

Mr. PEARKES: I should like to pursue that.

Mr. GUNN: Then there is an additional section.

(c) Upon his discharge from the armed forces of Canada be paid to every seaman who since the 10th day of September, 1939, has served at least six months on a ship and who subsequently became a member of any of the armed forces of Canada.

(d) Be paid to the legal representatives of every seaman who since the 10th day of September, 1939, served at least six months on a ship and who died prior to the coming into force of this order.

Then, section 4 reads:

The bonus shall not be payable for the period during which a seaman is eligible to receive a war service bonus under the merchant seamen's war service bonus order, 1944.

I think perhaps the excerpts I have read from those two orders in council may cover the matters raised by Mr. Fulton.

Mr. WOODS: Mr. Gunn has read those who were eligible. Do I take it the only ones who are excluded are those who failed to serve six months or failed to enroll in a manning pool?

Mr. GUNN: I think generally speaking that is a correct statement, but to be particular we would have to examine their status with particular reference to these orders in council to see whether they complied with all the various conditions.

Mr. FULTON: I should like to ask this additional question which I had in mind. The first order in council, the one passed in 1944, clearly confines the seamen who are eligible to receive the war bonus, and therefore the ones who are now eligible under this Act, to those who joined a manning pool and who served on ships of Canadian registry. The second order in council makes no reference to those who served on ships of Canadian registry. Therefore it would seem as though there is a distinction there, and if that distinction does exist then under the terms of the two orders in council every seaman who joined a manning pool is eligible. I should like to have that point cleared up because although there may not have been any applications I know there are a number of seamen who were assigned to ships of non-Canadian registry, and certainly it seems to me from the general terms of the second order in council, the fact it is not confined to ships of Canadian registry, they would be covered, but before we leave the point finally I would appreciate some definite assurance on that point because I do not think Mr. Gunn was absolutely certain on it.

Mr. GUNN: No, I am not. As a matter of fact, Mr. Fulton, you realize it is difficult to give a firm opinion on a particular case without study.

Mr. WOODS: In spite of those two orders in council there have only been 34 policies issued to Canadian merchant seamen, despite those two orders in council which are fairly all-embracing.

Mr. BENTLEY: How many might have been refused? Have you any idea?

Mr. BLACK: The number refused would be negligible. There may very well be none at all in that small number of policies. In proportion to the total number I would say there would not be more than one.

Mr. BENTLEY: There would only be 35 applications which have come in?

Mr. BLACK: Or a total of 35 applications coming in, of which 34 now have their policies.

The CHAIRMAN: That would be the average figure for all beneficiaries under the Act?

Mr. BLACK: Yes.

Mr. PEARKES: I wanted to ask a somewhat similar question to that of Mr. Fulton. There were a number of Canadian seamen who served in ships other than of Canadian registry. There was a class of Canadian seamen who served under what was known as the T. 128 agreement, which was an agreement to serve on His Majesty's ships which were naval ships. I am thinking of a particular case of men who served on the *Rajputan* which was sunk during the war. There were Canadian seamen serving on the *Rajputan*. They wore a naval uniform but they still drew seamen's rates of pay. There has been some misunderstanding amongst those men as to whether they were British seamen, Canadian seamen, or whether they were considered as naval personnel. A ruling was eventually given they were Canadian seamen. They have to make application for the special bonus by a certain given cut-off date. A number of those men, although through service they were eligible for the bonus, did not receive it because their application had not been made by that cut-off date. I am wondering whether that type of man would be eligible if he wished to take out an insurance policy. He is not in receipt of a special bonus but he is eligible by service for it. Owing to the existence of confusion and so on he did

not make application for the bonus by the cut-off date. I have some correspondence on the matter and I have had letters from both the British authorities and from Captain Johnson I think it is, of the merchant seamen, and that is the situation as far as I understand it. There was a cut-off date.

The CHAIRMAN: I think Mr. Black can answer the question.

Mr. PEARKES: Can he answer whether seamen serving on ships of other than Canadian registry—whether in fact they are eligible by means of service although they are not in receipt of the special bonus?

Mr. BLACK: Some points in connection with that are considered when the applications are received from the people concerned. So far to my knowledge we have received no applications from persons in that category. The applications we have received are from those eligible to receive or who have received the special bonus which has been the only way merchant seamen can qualify, unless they are pensioners under the Pension Act.

The CHAIRMAN: So a man would be eligible whether he was too late or not, by reason of coming within the definition of those eligible to receive the bonus?

Mr. GUNN: No, he has lost his eligibility.

The CHAIRMAN: Because he did not take advantage of it within the time?

Mr. GUNN: Yes.

The CHAIRMAN: That makes the phrase "eligible to receive" rather meaningless.

Mr. PEARKES: What is the point of having "was eligible to receive" in there at all?

The CHAIRMAN: I think Mr. Gunn misunderstood the effect of my question when I asked whether he was eligible, even though he did not benefit, and it is the interpretation of that phrase which was bothering me. If he was eligible, although he did not receive the bonus because he did not apply in time, he would be covered for the purposes of this act.

Mr. GUNN: Yes.

Mr. PEARKES: Would he be?

The CHAIRMAN: Yes. As a matter of fact Mr. Gunn misunderstood me but he has indicated now that the man would be protected.

Mr. BENTLEY: Are we finished with this section?

The CHAIRMAN: Shall the clause as amended carry?

Mr. BENTLEY: I have a question on this sheet of paper.

The CHAIRMAN: Your question will be in order then, but I thought you were going on to something else.

Mr. FULTON: I have just a question on a matter of an assurance from the department. It is a simple question and perhaps Mr. Bentley would let me ask it now. Would it be possible to get an assurance from somebody in the department that seamen who joined the manning pool and who otherwise qualified, but who served on ships of other than Canadian registry will be covered in this bill? Perhaps if we cannot have that assurance at the moment can we have it at some later meeting?

Mr. GUNN: I am afraid I do not think this department can give such an assurance. This department had nothing to do with the administration of either one of these two orders. Reference to the two orders in this legislation is merely to identify the two classes which are being brought forward. As it has been pointed out they must have received those benefits or be eligible to receive them.

Mr. FULTON: Could you obtain an opinion from the Department of Transport or the Department of Labour?

The CHAIRMAN: It would probably be referable to the Justice Department.

Mr. HERRIDGE: I do not know whether I am quite in agreement with the implication. I would agree to support the proposal provided that it would apply to a man who transferred to ships of a belligerent nation. A man who transferred to a neutral country's ship had far less hazard at sea.

The CHAIRMAN: You are not giving him very much anyway. You are only giving him the right to pay for something.

Mr. FULTON: If he was in the manning pool, he was sent where the manning pool wanted him to go.

Mr. WHITE: Where Canadian seamen were sent from the manning pool to service on ships of other than Canadian registry, I think they should be entitled under the act.

The CHAIRMAN: We will refer this matter to competent authority and get an opinion.

Mr. GUNN: I wonder if I could ask to have Hansard read Mr. Fulton's question because I am not sure that I got its full implication.

Mr. FULTON: I can put it this way. I will put the question in line with what was asked by Mr. White. The assurance I would like is firstly that if Canadian seamen, having joined the manning pool, were liable to be sent to ships of non-Canadian registry by the manning pool, then does the act as it is now drawn cover them? The points involved are firstly, whether the man joined the manning pool, and secondly, whether under the direction of that pool the man served on ships of other than Canadian registry, and is such a man covered by this act?

Mr. WOODS: I respectfully submit the answer to that lies in these two orders in council. If the man was eligible, if he received the bonus or was eligible to receive the war service bonus under these two orders in council, then of course he is entitled to insurance.

Mr. FULTON: That is really what we are asking.

Mr. WHITE: That is the point. Is the man eligible if he served of other than Canadian registry?

The CHAIRMAN: If we get the answer to Mr. Woods' question we have the answer to the whole problem.

Mr. BENTLEY: I do not want to get away from merchant seamen until we have finished but if we have finished I would like to ask why the administration felt it necessary to include the words "disability pension"? Under the old act it says "in receipt of a pension relating to war"—that is under subsection (c) of section 3 but in this clause the words used are "disability pensions". I wonder why that is necessary?

Mr. GUNN: I touched on that in my first remarks. I may elaborate slightly by saying that it was never intended in the original act, that a pensioner's widow, for example, or children, who are in receipt of pensions by virtue of the service of the veteran, were themselves to be entitled to a contract of insurance. It was intended that only a pensioner who received a pension in his own right on account of disability would be entitled to a contract. This insurance is for veterans, and their dependents are not entitled, except in the case of a widow.

The CHAIRMAN: Dependent father, mother, brother, or sister, would not be eligible under this even though they drew a pension as a result of the disability of the soldier himself.

Mr. GUNN: That is correct.

The CHAIRMAN: Is there any further discussion on clause 1 as amended?

Mr. LENNARD: The clause is presumably being allowed to stand so that we can get that information requested.

The CHAIRMAN: The clerk is contacting Mr. Johnson now but we will let clause 1 stand for the moment. Clause 2 reads: "Section thirteen of the said act is repealed and the following substituted therefor: '13. The minister may refuse to enter into a contract of insurance in any case where there are in his opinion sufficient grounds for so doing but, in the exercise of the powers conferred upon him by this section, the minister shall be governed by the provisions of schedule B to this act and he may require for this purpose that the applicant shall submit himself to medical examination or shall furnish such other information as the minister may require.' "

Mr. GUNN: This is merely for the purpose of curing a mistake in the printing of the original act where the word "insured" was used at a place where the word "applicant" was clearly intended.

The CHAIRMAN: Yes, there is no point in refusing insurance to a man who is insured. It is the applicant who is refused. Shall clause 2 carry?

Carried.

Clause 3 reads: "Section one of this act shall be deemed to have come into force on the first day of April, 1947."

Mr. PEARKES: Why do we date that back to 1947, because that defeats the previous paragraph which gives six years for the man to get his insurance?

Mr. FULTON: That is already limited; it is six years from a specified date.

Mr. PEARKES: Why not date it from now?

Mr. GUNN: In answer to that question, Mr. Chairman, my instructions are that during the regime of a former director of insurance there was a mistake made and six or seven policies of insurance were issued to persons after the 1st of April, 1946, policies to which those persons were not strictly entitled or not technically entitled, and this merely regularizes or validates those six or seven policies.

Mr. PEARKES: This only goes back to 1947.

The CHAIRMAN: It goes really forward. It extends the date from 1946 to 1947 to cover the contracts already entered into by these people.

Mr. GUNN: It merely validates the six or seven policies issued.

The CHAIRMAN: Whereas the policies themselves would be for 1946.

Mr. BENTLEY: Have I permission to ask another question on section (e)?

The CHAIRMAN: Before you do so, shall section 3 carry?

Carried.

Now Mr. Bentley, you may ask all the questions you desire.

Mr. BENTLEY: After Mr. Gunn's explanation I am wondering whether any people will be excluded by the new act and the amendment who had insurance during the operation of the old act?

Mr. BLACK: There are some persons who would have been excluded had the present amendment been in effect. They are persons who are parents or those in loco parentis, whereas it was not originally intended that they should qualify.

Mr. BENTLEY: Section 3 having been carried to date this back to April 1, 1947, if there have been any acceptances since that date will they be now cancelled on account of the retroactive features of this bill?

Mr. BLACK: I hope policies now in existence will not have to be cancelled because of the amendment.

Mr. BENTLEY: Are you sure of that, Mr. Black?

Mr. BLACK: The present wording would not protect them.

The CHAIRMAN: There is a rule in ordinary insurance regarding policies which stand in force for one year—in the absence of fraud or the absence of proof of fraud in that one year, the contract is considered a good contract. Would not that rule apply in this case?

Mr. FULTON: Not when you change the legislation.

The CHAIRMAN: That rule is enforced by the Department of Insurance. I am not a lawyer, but I do know something about life insurance. In the case of life insurance, even if fraudulently obtained, once it has been in force for a year it is a proper contract and it is inviolate under the Insurance Company Regulations of Canada which protect the particular policyholder.

Mr. BLACK: Each person has an insurance contract which shows that he is in contract with the government of Canada and there are certain benefits.

Mr. FULTON: I would be afraid that if you changed the statute under which the contract was issued you might invalidate the contract. I am not going to pose as an expert but perhaps Mr. MacNaught might express an opinion. It does seem to me, dealing with the chairman's point of view, that if you change the statute and say that the provision no longer applies, then it does not apply.

The CHAIRMAN: Perhaps we had better make some change because it is clear enough that it is not the intention to invalidate the contracts already taken out, and I do not wish to see that happen.

Mr. LENNARD: I think any change in the statute would apply to those contracts.

The CHAIRMAN: Except that clause 3 says this act shall be deemed to have come into force as at the 1st of April, 1947.

Mr. FULTON: Which would make it impossible for them to obtain a contract?

The CHAIRMAN: I do not see how you can retain these contracts.

Mr. FULTON: Let us amend clause 3 to make sure, by adding the words "providing however this clause will not invalidate any contracts already entered into subsequent to that date".

The CHAIRMAN: Yes.

Mr. FULTON: We had better make a specific date?

The CHAIRMAN: Make it yesterday.

Mr. FULTON: Yes.

The CHAIRMAN: You would have to do that or you would have a host of applicants. You would have to date it back and I would suggest the 1st of June.

Mr. BENTLEY: I can think of a better way of doing it if it is possible and not too impractical. I do not know about the actuarial situation of those people who are now excluded by the word "disability" but would it not have been better to leave it as it was in the general belief that probably the widows and others are fairly good insurance risks.

The CHAIRMAN: Widows are not ruled out. It is parents, dependent brothers, and sisters, but widows are not precluded.

Mr. BENTLEY: After the veteran comes back, if he is insured and is a disability pensioner, but if he dies after he comes home then, as I understand it, the widow cannot be accepted.

The CHAIRMAN: Yes.

Mr. GUNN: No. As soon as a veteran becomes a veteran, that is after demobilization, and if he then dies his widow would become entitled to apply for insurance.

Mr. BENTLEY: She would.

Mr. GUNN: Yes.

The CHAIRMAN: By this amendment which we have just made.

Mr. LENNARD: Not if he had been insured?

The CHAIRMAN: No. The widow is not covered under the act as it stands. There is no change with respect to the widow. If the veteran had been insured even under the old act the widow would not have been able to then apply. What we are doing now in the way of the amendment to clause 3 is to protect the thirty or so contracts which we have. I think we have the consensus of opinion of the committee as to the previous contracts entered into, and it is our intention that they shall not be invalidated. Mr. Gunn will draft an amendment along the lines that the thirty cases will be protected and we will carry it.

Mr. GUNN: Is it intended to deal with this bill at another session?

The CHAIRMAN: I do not think it is necessary. I think another clause providing that nothing in this act shall invalidate policies written prior to June 1, 1948, would be appropriate.

Mr. BENTLEY: May I ask a question on schedule A. There is a list of premiums payable according to different ages. Are those premium figures in line with the figures for that kind of insurance from regular insurance companies? Is the actuarial situation reasonably sound?

Mr. BLACK: The premium calculated by the Department of Insurance is based on a British mortality table and it works out to premiums lower than those of most corresponding companies' premiums—just in the lower bracket of company premiums. We do not say the premiums are lower than any other existing premiums but they are very favourable.

Mr. BENTLEY: The only real objection to the eliminating of that word "disability" in this sheet would be that you would have to take in quite a few old people who would be eligible for insurance without medical examination? Is that the serious part of it?

Mr. BLACK: Yes, we get some applications for very old people, in their eighties, who on account of their age and physical condition are not accepted by the regular companies.

Mr. LENNARD: Do you mean to say that persons now eighty years old served in this war?

Mr. BLACK: No, I am referring to parents, but we have one veteran over seventy.

The CHAIRMAN: I can vouch for that. At this point, while the legal fraternity is attending to what we desire, I would inform the committee that the secretary has been in communication with Captain Johnson himself and the secretary had made a note of the questions asked by Mr. Fulton and Mr. Pearkes. Captain Johnson's answer is that Canadian seamen are not eligible unless they served on a ship of Canadian registry. No seamen were assigned to ships other than Canadian registry, with the exception, he says, that some Canadian seamen jumped the pool and took advantage of the higher wages on American ships and ships of Panamanian registry. Some of those people do claim they were assigned to those ships but Captain Johnson is my authority for saying the claim is not based on fact. There is an exception in the case of members of the manning pool who were detained in Britain under an essential work order and who can prove they were so detained, and they are eligible. If they can show that they were in point of fact assigned to duty under the essential worker order, and if they have the order or receipt for so doing, they can then establish their claim.

Mr. BENTLEY: Is there a record kept of those things, or what happens if the individual has not got the document?

The CHAIRMAN: I beg your pardon?

Mr. BENTLEY: Is there any record kept?

The CHAIRMAN: I cannot answer that because you see the record here would be to the effect that if they applied at any time they would get the bonus, in view of the fact they did not jump ship but that they were commandeered to go somewhere else. The record here would be in regard to their eligibility for the bonus. I understand there has been no difficulty with respect to that matter. The only protest, Captain Johnson reports, comes from several who jumped the pool and took the advantage of higher wages on ships of the United States and Panamanian registry.

Mr. PEARKES: What about the case of the T-128 agreements? The answer was that they were established as Canadian seamen and they were entitled to bonus—whether they received it or not they would be entitled to it—and they would be eligible, but they were not serving on ships of Canadian registry.

The CHAIRMAN: There has been a special ruling in their case, and there were in fact no Canadian seamen—

Mr. PEARKES: It does not say that here?

The CHAIRMAN: When the manning pool kept men by reason of the essential work order they are covered by the exception, and I assume from the definition in the act and from your own statement that these men were ruled to be Canadian seamen entitled to the bonus. The fact that they are entitled to the bonus entitles them to this.

Mr. PEARKES: Is that correct?

Mr. GUNN: I think so. Dealing with the point raised by one member with regard to the restrictive features in clause 3 of the bill a suggestion has been made by Mr. Dickey for which I am very thankful. The suggestion is that we make this apply to all clauses or paragraphs of the section, except, section (f), and we will achieve what we desire. I think that is perfectly correct.

The CHAIRMAN: Except (f)?

Mr. GUNN: Yes, and clause 3 will now read: "Paragraphs (a), (b), (c), and (e) of section 1 of this act shall be deemed to have come into force on the 1st day of April 1947". I think that will take care of the situation and take care of those policies which have been issued to pensioners who were not strictly entitled to them up to this time.

The CHAIRMAN: It will now read: "Paragraphs (a), (b), (c), (d) and (e) of section 1 of this Act shall be deemed to have come into force."

Mr. BENTLEY: What will you do with that?

The CHAIRMAN: We will leave it out so it does not become applicable.

Mr. GUNN: It becomes effective on the day this Act becomes effective. It will become effective on Royal Assent being given.

The CHAIRMAN: Do we have to say so?

Mr. GUNN: No.

The CHAIRMAN: Shall section 3 as amended carry?

Carried.

Shall clause 1 as amended carry?

Carried.

Shall the title carry?

Carried.

Shall the bill carry?

Carried.

Shall I report the bill?

Carried.

Well, now, we will turn our attention to bill 200, and with the consent of the committee we will make a preliminary examination of this bill. Here again no one has asked to be heard further with respect to this bill with the exception of our colleague, Mr. Black, M.P., of the Yukon, to whom I promised to extend the courtesy of the committee before we concluded our deliberations on this bill.

We have, however, a proposal which was made by the Canadian Legion and which is on page 523 of the reports of this committee and which reads as follows:

Recommendation.—That the government accept greater responsibility for the welfare and education of the children of men who lost their lives in the service, by extending benefits equivalent to the rehabilitation benefits their father would have received had he returned. An alternative proposal is to extend orphan rates to the children of pensioned widows.

Comments.—Veterans feel that this is an important omission in Canada's rehabilitation program as it affects the children of those who lost their lives in the service. Subsistence maintenance until the age of 16, 17 or 21, as the case may be, is not enough. The responsibility for educational or training benefits or assistance to enter a trade or calling must rest with the government.

That is a quotation from the presentation of the Legion, and since they have not requested to appear again I thought that the recommendation should be brought to the attention of the committee once more.

Mr. LENNARD: You say that no other body has asked to appear?

The CHAIRMAN: The secretary informs me that no other body has asked to appear with respect to this matter, and no other body which has appeared before us has made any representation with respect to it at previous hearings beyond the recommendation I have read.

Mr. LENNARD: Have there been any written suggestions?

The CHAIRMAN: I have had none, and the secretary tells me that there are none.

Now, I am going to suggest that we break off our regular sitting before 1 o'clock and hold an executive meeting of the whole committee. I want to get your advice with respect to the hearings on these bills. I think we had better have a preliminary explanation with respect to this bill in order that we may know what we are expected to do. I will ask Mr. Gunn to proceed.

Mr. GUNN: Mr. Chairman and gentlemen, I may preface my remarks by saying the department has no amendment to offer to the bill as printed.

Now, dealing with the bill I will run over it by clauses. Perhaps that is the most effective way to do it.

Clause 1: (i) The purpose is to fill a gap now existing in the Act which prevents the department from paying allowances until the child has been adopted according to law. In some provinces there is a probationary period during which the adopting parents have all the obligations with respect to maintenance of the child that will be assumed by them on the formal adoption. If the amendment is passed, the department may then pay allowances with respect to those children who are in this interim stage of adoption.

The next part of clause 1 is as follows:

(iii) The purpose is to enable allowances to be paid in cases where a veteran has assumed responsibility for the maintenance of an illegitimate child of his wife.

Clause 2:

This clause introduces a new section (8A) to the Act.

Subsection (1) of 8A will enable the minister to transfer a veteran who has taken training under section 8 (university) but who has not exhausted his whole entitlement thereunder, to a course of training under section 7 (vocational) if the veteran makes application within six months after the coming into force of the section. Likewise it enables a veteran currently receiving training under section 8 to receive the remainder of his entitlement allowances by pursuing a course under section 7 if he applies for the transfer before the termination of his course under section 8 or within six months thereafter.

Subsection (2) of section 8A deals in the reverse manner with veterans who have taken or are currently taking a course under section 7 and wish to change over to university course under section 8.

In both of the above situations where a change over takes places, an adjustment is made in allowances so that the total allowance that the veteran may receive in the new course will be reduced by the amount of the allowances received by him in the former course.

Mr. PEARKES: Could we have an explanation as to why it is necessary to limit the period to six months from the date of the passing of this Act? I dislike all those cut-off dates.

Mr. LENNARD: So do I.

Mr. GUNN: It is a matter of providing some time in the future during which veterans must make application for the benefits of the Act if they want them.

The CHAIRMAN: In the case of students I think it is pretty clear that if you are allowing them to switch from a vocational course to a university course and vice versa—after all, they are not children—there ought to be a reasonable continuity of effort as students. It seems to me that is a reasonable length of time to allow a student to make up his mind.

Mr. BENTLEY: He is being limited to six months. This Act comes into force on the 1st of July of this year; six months from then will bring him to the 1st of January and he might wish to make his application so as to be acceptable to the new institution of learning when it starts a new term.

The CHAIRMAN: The application is in.

Mr. GUNN: If he is currently taking the course he comes within the prescribed time.

Mr. LENNARD: Suppose a veteran made an application and could not be admitted into an institution because they could not take him; they were filled up; and that would delay further education for a year. Where would he be?

The CHAIRMAN: It is not the date of his admittance that is at stake, it is the date of his application. If he applies to take a course in medicine he may not be able to get into a university in Canada, which is currently the case, or was at the end of the year; but he could still take advantage of this if, as and when he finds that the university has a place for him.

Mr. PEARKES: Suppose he has started to take a course now; well, he has only got six months from the time of the passing of this Act.

The CHAIRMAN: To apply for the change.

Mr. PEARKES: Yes.

The CHAIRMAN: To make application.

Mr. PEARKES: Yes, to make application. He does not know that he wants to change; he is only starting his course. I have had cases brought to my attention where, for perfectly good and legitimate reasons, after they have taken the university course for a certain length of time, owing to circumstances over which

they have no control at all—sometimes financial circumstances in the family have made it necessary for them to change from a university course to another form of training. I say why limit it to six months from now? The veteran who is taking the course a year hence may find it necessary to change from one kind of training to another, and he cannot do it because of this matter of six months.

The CHAIRMAN: Is it a flat limitation as to time? Does the six months disconnect one course?

Mr. GUNN: It is six months from the termination of his course.

The CHAIRMAN: From the termination of his course. It is not six months from the date the bill is announced. If he takes a course and quits that course the next summer, he must elect to take the course within six months.

Mr. PEARKES: I thought it was six months from the passing of this Act.

Mr. WOODS: Turn to 8(2): "Where a veteran (a) has been paid . . . an allowance".

The CHAIRMAN: I understood that Mr. Gunn said he must elect within six months to disassociate himself from the course he is taking at the present time. It does not mean he has to take a course six months from the date that this bill is proclaimed.

Mr. GUNN: I refer you to line 15 on page 2.

The CHAIRMAN: "—before the termination of his course or within six months thereafter—"

Mr. PEARKES: How does that fit in with 8A where it says, "within six months after the coming into force of the section"?

Mr. DICKEY: That appears to apply only where the applicant has had university or technical training which is complete. It is a time element from the time this Act goes into effect to give him six months to apply for further training under a provision he did not take advantage of before.

The CHAIRMAN: You mean that he has graduated from a university and now he elects to be a mechanic; perhaps he wants to be a dental mechanic. Maybe he has only had his arts course and he has not exhausted his rights under the bill. He may within six months apply to have vocational training.

Mr. GUNN: It is giving him a new term of application. He is out at the present time and this puts him back again.

The CHAIRMAN: Well, we will allow Mr. Gunn to complete his statement.

Mr. GUNN: Dealing with the new subsections (3) and (4) introduced in 8A:

Subsections (3) and (4). These additions to the Act will enable the department to reimburse the veteran for the cost of training that he took at his own expense, but which might have been approved by the department if the new legislation had been in effect at the time he took the course. It is intended to help the veteran who has taken a course or part of a course under section 7 and then, at his own expense, takes university training and, also, the veteran who has started a course under section 8 (university) and then decides that a vocational course (section 7) is indicated for him. Application for reimbursement must be made within six months after the coming into force of section 8A.

Subsections (5) and (6) provide that these transfers from one course to another may only be made where the minister decides that it is in the interest of the veteran and in the public interest that it should be done. Moreover, the further allowance that can be paid in the case of a transfer from one kind of training to another is limited to twelve months, but the minister may make regulations prescribing circumstances in which this rule should not apply.

Clause 3:

As the Act now stands many veterans are unable to qualify for Veterans' Land Act benefits by reason of having received allowance for short periods under the university training plan. It was never intended by the legislation passed in 1946 to exclude from land benefits those veterans. There is also the veteran who completed a university course or a postgraduate course and received allowances. The amendment provides that if the course so taken were for a period not exceeding nine months, the student may repay to the department the allowances received together with other costs and thereby qualify for consideration under the Veterans' Land Act.

Mr. SKEY: May I ask why the nine-months period is put in there?

Mr. GUNN: We had to provide some time.

The CHAIRMAN: It is the normal university term.

Mr. GUNN: It conforms to the university term, and there would be some arbitrary period, and that seemed to be the most reasonable.

Mr. SKEY: I should like to speak further to this section.

Mr. GUNN:

Clause 4: Apart from the changing of the word "for" to "within" for the purpose of clarification, the main change herein is the dropping of the requirement placing a ceiling of \$500 on the total moneys that can be paid to a university with respect to an individual student for an academic year. This has been found necessary as a result of increased tuition fees recently established by universities generally.

Clause 5: When the Act was amended in 1946 to provide compensation for veterans who received injury while training, it was found that it failed to provide for such veterans who, during the time that the post-discharge re-establishment order was in effect, received injury of that kind. The amendment made then applied only to those then in training or who might thereafter receive training. The amendment is intended to take care of student veterans who, prior to the enactment of August 31, 1946, received injuries while training. I am informed that there are only a few of such cases resulting in permanent disability.

Clause 6: By this amendment those members of the permanent force who have had continuity of service (i.e., never having become civilians) are deemed to have been discharged on the 30th of September, 1947, that being the date on which they went off active service as provided in National Defence order in council No. P.C. 2372 of the 17th of June, 1947. Therefore, such persons, by virtue of the amendment, become "veterans" within the meaning of the Act, and the time prescribed by the Act within which they must apply for rehabilitation benefits begins to run against them. Otherwise these particular permanent force personnel could serve for many years and then apply to the department for such benefits within the proper time after their discharge from the permanent forces.

It must be assumed that by adopting the permanent force as a career these persons do not need training or other rehabilitation benefits which were designed to take care of the transitional period from active service to peace-time establishment.

The foregoing remarks apply, also, to commonwealth and allied veterans.

Mr. PEARKES: Is not there a danger of opening the door too wide there? The date on which the permanent force went off active service you say is the 17th of June, 1947. It is therefore reasonable to believe that a certain number of young men may have joined the permanent force in Canada during

the year 1946, but they never were overseas and never actually took any part in active operations. Canada was still at war. They were on active service but all active operations were over. I wonder whether we are not opening the door pretty wide there. I feel you are opening it pretty wide. I do not believe that is the intention. The intention was to protect the men who had seen continuous service. We have got to realize there were some men who were too young to get overseas but who wanted to take the services as a career. They joined when active operations were over. I do not believe it is the intention of this amendment to extend the privileges to that type of man.

The CHAIRMAN: Perhaps you can tell us what the situation is with respect to that.

Mr. G. H. PARLIAMENT (Director-General of Rehabilitation, Department of Veterans Affairs): Under the present legislation those men are covered. They can re-enlist, and it is the date of their last discharge. All we are trying to do by this legislation is to cut it off at a specific date. They are already entitled to apply and obtain benefits from their discharge date.

Mr. PEARKES: They have not any discharge date. I am referring to men who joined the permanent force in 1946 after active operations were over, but they were still on active service here in Canada until June 17, 1947. I do not believe it is the intention of the Act to give them the benefits which are offered.

The CHAIRMAN: But it is admitted, I think, that it does cut it off eventually for everybody else.

Mr. BAKER: Would not the period of attestation take care of that? It is not three years now?

Mr. PEARKES: A man might terminate his period of attestation. He might buy himself out before it was up. He might have gone in there in 1946, served for six months in the permanent force on active service, never having left Canada, never having been in the service while the actual war was on, buy himself out and then is eligible for all these advantages. I do not think that is the intention.

Mr. WRIGHT: I think it would be an encouragement to a lot of them to buy themselves out.

The CHAIRMAN: Have you concluded your presentation Mr. Gunn?

Mr. GUNN: Yes, except for this. The amendment that is causing the debate at the moment applies only to those members of the permanent force who have had continuity of service.

Mr. PEARKES: It does not say so.

Mr. GUNN: That is the effect of it. That is the considered effect of it.

Mr. FULTON: It says, "or in receipt of service rates of pay during the war."

The CHAIRMAN: Gentlemen, I think that concludes the general presentation by Mr. Gunn. With the consent of the committee I am going to terminate our discussion of this bill at the moment. I do wish to retain the committee for a moment or two to talk about the things that remain on our agenda. I might say now that the committee will meet on this bill at 11 and 4 on Tuesday next and continue our schedule. I had better have a motion to adjourn.

Mr. LENNARD: I so move.

The CHAIRMAN: It is moved by Mr. Lennard that we adjourn. The committee is adjourned until next Tuesday at 11 o'clock.

—The committee adjourned.

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(SESSION 1947-1948
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 23

TUESDAY, JUNE 8, 1948

WITNESSES:

Mr. W. S. Woods, Deputy Minister, Mr. W. G. Gunn, Counsel, and Mr. G. H. Parliament, Director-General of Rehabilitation, Department Veterans Affairs;
Lt. Colonel L. D. M. Baxter, O.B.E., V.D., Dominion President, and Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.;
Major E. S. Harston, Honorary Secretary, British Empire Service League;
Mr. Charles H. Hope, Dominion Vice-President, Dominion Civil Servants War Veterans' Association.

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1948



MINUTES OF PROCEEDINGS

Tuesday, June 9, 1948.

The Special Committee on Veterans Affairs met at 11.00 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Bentley, Brooks, Bryce, Croll, Dickey, Dion, Emmerson, Gauthier (*Portneuf*), Gregg, Harris (*Grey-Bruce*), Herridge, Isnor, Jutras, Langlois, Lennard, MacNaught, Matthews, Marshall, Mutch, Pearkes, Quelch, Skey, Timmins, Viau, White (*Hastings-Peterborough*), Winkler, Wright.

In attendance: Mr. W. S. Woods, Deputy Minister, Mr. W. G. Gunn, Counsel, and Mr. G. H. Parliament, Director-General of Rehabilitation, Department of Veterans Affairs; Lt.-Colonel L. D. M. Baxter, O.B.E., V.D., Dominion President and Mr. J. C. G. Herwig, General Secretary, Canadian Legion of the B.E.S.L.; Major E. S. Harston, Honorary Secretary, British Empire Service League; Mr. Charles H. Hope, Dominion Vice-President, Dominion Civil Service War Veterans Association.

Col. Baxter was called, heard and retired.

Major Harston was called, heard and retired.

The Committee resumed consideration of Bill No. 200, An Act to amend The Veterans Rehabilitation Act.

Messrs. Woods, Gunn, and Parliament were recalled and questioned.

Clauses, 1, 2, 3, 4 and 5 were adopted.

Clause 6 was amended by striking out the words *September, nineteen hundred and forty-seven* and substituting therefor the words, *June, nineteen hundred and forty-eight*.

Clause 6, as amended, and the title were adopted.

The Bill, as amended, was adopted and the Chairman ordered to report to the House accordingly.

Messrs. Gunn and Parliament retired.

Mr. Hope was called, presented with a brief on behalf of the Dominion Civil Service War Veterans Association, and was questioned.

The Committee agreed to hear representatives of the following groups:

On Thursday, June 10:

Ex-Members of the R.A.F. Transport Command;

National Council of Student Veterans Canada;

The Overseas Club (former members of the Canadian Red Cross Corps);

On Tuesday, June 15:

The Corps of Canadian (Overseas) Fire Fighters;

Canadian Merchant Navy Veterans' Association, and

On Thursday, June 17:

Soldier Settler Association of Canada.

At 1.00 o'clock p.m. the Committee adjourned until 4.00 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 4.00 o'clock p.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Bentley, Blair, Brooks, Bryce, Emmerson, Fulton, Gauthier (*Portneuf*), Gregg, Harris (*Grey-Bruce*), Herridge, Langlois, Lennard, Matthews, Mutch, Pearkes, Quelch, Skey, Timmins, Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs; Mr. Charles H. Hope, Dominion Vice-President, Dominion Civil Service War Veterans Association.

Examination of Mr. Hope was continued.

Mr. Hope retired.

At 6.00 o'clock p.m. the Committee adjourned until 11.30 o'clock a.m. Thursday, June 10.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
June 8, 1948.

The Special Committee on Veterans Affairs met this day at 11 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Order, gentlemen. When the committee rose at our last meeting we had begun deliberations upon bill 200, and we will resume deliberations on that bill this morning.

Before we do that, with the consent of the committee, I desire to take a minute or two of your time to make two introductions to the committee of gentlemen whom most of us know and with one of whom at any rate I have had a long and happy association, and with one of whom the members of this committee in their capacity as parliamentarians and as Legionnaires will have occasion to come in contact frequently. I am sure that as your acquaintance with him continues to expand you will have the same experience I have had and that you will share the confidence I have in the newly elected president of the Canadian Legion, Colonel Lionel Baxter. I wish to introduce Mr. Baxter to the meeting this morning.

Colonel L. BAXTER: Mr. Chairman, Mr. Minister and members of the committee, I am very glad to have this opportunity to say a word, although I have come here this morning without a brief in my hand. I also appreciate the opportunity to say to this committee that during twenty years of Legion work naturally I have followed the work of this and previous committees very closely, and in business I have had occasion to follow the work of other committees of the House of Commons; and I have been very greatly impressed, not only with the care that members of this committee have taken to consider the various problems as they come before them year after year, but I have also been impressed with the knowledge which the committee members have of veterans affairs. Because, after all, the veterans' problem is, perhaps, unique, and unless the members are giving careful consideration and are really studying the background of resolutions that are brought here by the Legion on occasion I doubt if they could possibly have the knowledge they have.

Now, as you know, the task of the dominion president of the Canadian Legion is not a light one. I have with some hesitancy accepted that position; but I did feel that as a business man with some interests across this country that possibly as the leader of the Canadian Legion I might not only contribute to the welfare of our own lads but perhaps in some small measure help to contribute to the welfare of our country as a whole. You know, gentlemen, as well as I do, that in these troubled times it is most essential that our people keep their feet on the ground and through their own efforts endeavour to continue to build on this fine foundation which we have in Canada.

Thank you, Mr. Chairman.

The CHAIRMAN: Gentlemen, we have with us this morning another distinguished visitor in the person of Major Harston, honorary secretary of the British Empire Service League, and I will call on Major Harston to say a few words to the committee.

Major E. S. HARSTON: Mr. Chairman, Mr. Minister and gentlemen, I was sent over to Canada by the British Empire Service League to learn something about Canada and to learn something about the Canadian Legion and, believe

me, I have learned plenty. I have had a wonderful time, as you can imagine. You all know something about Canadian hospitality, so I will not expound upon that subject; but the thing that impressed me so much at the convention at Saskatoon was the way that the Department of Veterans Affairs worked in close contact and in close harmony with all the veterans. It was there that I heard all about the work that this committee has done, of the number of veterans who are members of the House of Commons, and of the interest you have taken in veteran work. I have a lot to think about when I go back.

I was also very impressed with the sanity, if I may use the expression—the way the wild men had their say and in practically every case the sound common sense of the veterans took effect in the end. And that is characteristic of all the veterans' organizations right through the empire. I have found exactly the same thing in New Zealand, where they draft their own legislation; in Australia, in South Africa and in England; and it is a great source of strength to the whole empire that the veterans' organizations all through the empire are led by men of such outstanding ability as you have now and have had in the past and are manned by such a sound commonsense lot of members.

Thank you, Mr. Chairman.

The CHAIRMAN: Gentlemen, we have before us now the last piece of legislation which was referred to us. We had some general discussion with respect to bill 200, but we have no further representations to hear, so this morning we will begin a clause by clause discussion of the bill itself.

Clause 1 defines the dependent and it adds: "a child legally adopted or in process of being legally adopted . . ." which in addition, provides in subparagraph (2): "... an illegitimate child of the veteran acknowledged or maintained by him . . ."

Mr. BROOKS: In the case of a child in the process of being legally adopted, I would like to ask whether there are cases where the child is not eventually adopted, or is the adoption 100 per cent? If there are cases where they are not legally adopted is a refund made?

The CHAIRMAN: In some provinces it is meant to provide. This province has a probationary period and the province of Manitoba has one. It is designed to take care of that.

Mr. BROOKS: Are any of these probationary? At the end of the probationary period are children ever denied to the foster parents?

The CHAIRMAN: I was asking Mr. Parliament if he could answer the question as to whether or not in the event of the province not approving the adoption at the end of the probationary period there was any provision for recovery of moneys paid during the probationary period.

Mr. GUNN: I do not think there is any provision. If there is prohibition of the legal adoption of the child in question the allowance is discontinued and the veteran has had the benefit.

The CHAIRMAN: Shall the section carry?

Mr. SKEY: Mr. Chairman, before you carry the clause, I think that the lawyers on the committee should have picked up this period of nine months. Surely that is not a legal period.

Mr. CROLL: It is a legal period for some things.

Mr. SKEY: Does not the law allow a little leeway? It does in some cases. I wonder if it should be strictly limited to nine months.

Mr. CROLL: That is flexible. The courts look upon it as give and take.

Mr. SKEY: Supposing there is a period of nine months and two weeks or ten months and the person in question should claim that the disability was incurred during service?

Mr. GUNN: The point that has been raised is not a new one. It is now in the Act and has been for two or three years. I understand that in practice the department takes a quite liberal view in the manner expressed by Mr. Croll. That is the situation. The department does not feel bound by the strict letter of the law.

The CHAIRMAN: Shall clause 1 carry?

Carried.

Clause 2,—“Substitution of allowances under section seven for allowances under section eight.”

Shall clause 2 carry?

Carried.

Clause 3—“Exception.” This introduces two new subsections (b) and (c) under (2).

Mr. QUELCH: That has been in operation actually, has it not?

The CHAIRMAN: No. These newly introduced sections are brought into the Act to reinstate the right of a considerable number—I am told in the neighbourhood of 8,000 veterans—who had short periods of educational advantages and found themselves ruled out from taking advantage of the Act. They were the marginal cases which could not be taken care of under the Act as it was; and this is done in an attempt to bring them into the picture.

Mr. SKEY: Mr. Chairman, in these two sections, is there anything that interferes with the veterans' right to pay back all the moneys paid on his behalf and then claim other benefits, such as the benefit under the Veterans' Land Act?

The CHAIRMAN: These two subsections are designed to give him the opportunity to make an adjustment on his credit and to come under the V.L.A. Formerly he could not.

Mr. SKEY: Yes, but in one case there is a university term stipulated. If he goes beyond that is he considered to have committed himself permanently to one course of rehabilitation?

The CHAIRMAN: If he has gone two years, for instance, he would probably have exhausted his right and there would be no advantage—in clause 2 which we have just carried—if he has still some unexhausted right he would be permitted to take advantage.

Mr. HERRIDGE: Mr. Chairman, I do not know whether the members of the committee are aware of what a generous provision this is. It is a wise provision. When people started attending universities a number of the men were of the opinion that they could satisfactorily proceed from a university course to a degree and so on. I know from my own personal experience in my own constituency that several men I advised to take a vocational course or go on the land insisted on going to university for a short time and found that they were not suitable. This provision will make it possible for them to continue. I think the minister and the officials of the department must be congratulated for giving these boys—and there are more than we realize—a second opportunity to become re-established.

The CHAIRMAN: There are 8,000 of them, roughly. Shall the clause carry?

Carried.

Clause 4—“Supplementary grants to universities.” This deals with the change in the wording by the introduction of the word “within” which permits the payment of fees which would otherwise have been denied, over a period of twelve months. It is found that university fees have risen, and this is to take care of that. Shall the clause carry?

Carried.

Clause 5—"Personal injury by accident in training." "This amendment is new and intended to make compensation available to veterans who suffered personal injuries by accident during training after 1st October, 1941, and the enactment of the present Act".

Shall clause 5 carry?

Mr. BROOKS: This is for the annual training?

Hon. Mr. GREGG: Training at a university.

The CHAIRMAN: It covers an accident while attending university or vocational school.

Mr. BENTLEY: Does that include injuries incurred during some athletic display?

Mr. CROLL: It might.

The CHAIRMAN: Mr. Gunn, the question was whether or not a student in one of these cases might have received his injuries during the recreational period—for instance, he might have an eye knocked out during a hockey game. If it happened within the aegis of the school would that be included?

Mr. GUNN: If the man was in receipt of an allowance at the time, that is the text.

Carried.

The CHAIRMAN: Clause 6—"Persons deemed to be discharged as of September 30, 1947." This is "A new section intended to provide cut-off date from which persons who never became civilians (or 'veterans' within the meaning of the present Act) but who continued to serve in the forces mentioned, shall be deemed to have been discharged therefrom. That date is 30th September, 1947, as per National Defence order in council P.C. 2372 of 17th June, 1947."

Mr. GUNN: The department has an amendment to offer with regard to the date mentioned. This amendment was prepared several months ago, and it is now realized that with the passage of time some veterans might be prejudiced by the date mentioned: that is to say, the time in which they must apply for benefits begins to run as of a certain date; it is mentioned here as the 30th of September, 1947, and it is possible that a good many of them have not realized the implications of the proposal or might be prejudiced, so it is asked that the date be changed to the 30th of June, 1948.

The CHAIRMAN: That is in the last line: the 30th of June, 1948. There is an amendment to that. Shall clause 6 as amended carry?

Mr. BENEDICKSON: I suppose there is some written order giving notice of this?

The CHAIRMAN: It was order in council 2372, which originally fixed the 17th of June, 1947, and it has now been amended because of the delay with regard to this legislation.

Mr. BENEDICKSON: And the notice will be given of the extension we are now agreeing to?

The CHAIRMAN: I presume the publication of the Act, plus whatever departmental facilities are available.

Mr. WOODS: We will notify National Defence and they will convey the information to the troops.

The CHAIRMAN: Gentlemen, there seems to be a tendency to whisper today, and I am quite sure that the official reporter cannot hear you properly.

Mr. PEARKES: I will take good care that everybody hears what I have to say. I will go back to the point I raised at the end of the last session of this committee: I fear that this clause is far too generous; it does not meet

the wishes of the people of Canada nor the intention of this Act in that it enables men who saw no overseas service at all, who joined the active forces of this country after operations had ceased, to obtain the benefits of this Act.

If you will remember, V.E. Day was in the spring of 1945 and V.J. day followed a few months later. Now, this makes provision for a man who joined the active forces after V.E. day and who served for a period in what we used to refer to as the permanent forces of the country, who purchased his discharge—and I know of men who have purchased their discharge—during this period, then to turn around and apply for a university education. Now, that is not the intention of this Act. The intention of this Act is to provide a means for men who served during the war to rehabilitate themselves. It is not intended to enable a young man who started out on a military career, became dissatisfied with it, to have an opportunity of taking a university course or any other form of training.

There should be a limiting clause in this paragraph which makes it essential that the man joined the forces prior to V.E. day. I do not think I need elaborate any more on that. I am opposed to the regulation as it is because I think it is contrary to the principle of the bill and it might incur expenses for the Canadian taxpayer which I do not think should be incurred.

Mr. HARRIS: How do you explain the fact that in the three clauses, the phrases are all the same, "and has not been discharged from such last mentioned forces."

Mr. PEARKES: They are still on active service because they were on active service until September, 1947.

Mr. HARRIS: I will let the minister explain it, but it seems to me this clause is designed to cover persons who are still in the forces because in every case it says, "who has not been discharged".

The CHAIRMAN: Perhaps Mr. Parliament could throw some light on this question.

Mr. PARLIAMENT: At the close of the last meeting, I did not have time to go into the matter as thoroughly as I should have. In answer to General Pearkes's question, under section 17 (a) of the Veterans' Rehabilitation Act, there are only three classes of people who can build up an entitlement to an allowance after March 31, 1946. The first class is the man who was delayed in his transfer from the permanent forces until after that date. The second class is the man who was transferred to the interim force but was overseas on August 1, 1946, and was held over there and did not arrive back in Canada until after the 1st of August, 1946. The third class is the man who was designated as indispensable and was not transferred to the interim or permanent forces. Therefore, the entitlement to allowance carried on for some considerable time, until their discharge. Section 6 is dealing with the entitlement to apply and not to the entitlement to an allowance that he builds up under the Act. As I have said, that is covered by section 17 (a) of the Veterans' Rehabilitation Act.

Mr. HERRIDGE: That means, then, the men whom Mr. Pearkes mentioned would not be entitled to the benefits of this Act.

Mr. WHITE: Before you leave the section, I should like to ask a question. This case deals with a number of boys who were at the naval college of Royal Roads. While attending that college they paid all their own expenses. They were not allowed to enlist until they graduated. These boys graduated after the deadline, the 31st of March; went on active service and were discharged at the end of 1946. Under the Act, they are not entitled to any rehabilitation grant, is that correct? Would this section be of any benefit to such boys?

Mr. PARLIAMENT: None whatever.

Mr. HARRIS: I should like to follow up some of the questions raised by Mr. Pearkes. Do I understand that the drafting of the section means that at the end of (a), you have an and instead of a semi-colon, or that (a) and (b) are separate people.

Hon. Mr. GREGG: Separate people.

Mr. HARRIS: In the case of (a) we have men who were on active service or in receipt of active service rates of pay and were not discharged. In the case of (b) we have another person who is, at the moment, domiciled in Canada and is serving in forces other than Canadian forces and who was so domiciled at the time he joined for the purpose of the war and has not been discharged. That man need not necessarily have been on active service outside Canada.

Hon. Mr. GREGG: I think he would have to be.

Mr. HARRIS: Under what wording in clause (b)?

Hon. Mr. GREGG: In view of the fact he served in His Majesty's forces other than Canadian.

Mr. HARRIS: Who is described in (b)? Who will receive the benefits of clause (b)?

Hon. Mr. GREGG: Persons who are naturally Canadian, who were domiciled in Canada before they enlisted in His Majesty's forces other than Canadian, and are now domiciled in Canada.

Mr. HARRIS: There may not be very many. Could you give us an example?

Hon. Mr. GREGG: Take, as an example, the R.A.F. A lot of our Canadian boys joined the R.A.F. in the early stages of the war. That would be one example of His Majesty's forces serving outside of Canada.

Mr. HARRIS: There is nothing in (b) which says he must serve outside of Canada.

Hon. Mr. GREGG: No, there is not. I do not know if it is possible to find any such personnel who served in Canada.

The CHAIRMAN: The headquarters of the R.A.F. Ferry Command would probably have some.

Mr. WOODS: The Veterans' Rehabilitation Act does not exclude a person who served only in Canada.

Mr. HARRIS: I was not saying it did. I wanted to know who you had in mind in clause (b).

Mr. WHITE: If this section means that anyone joining the forces after the deadline is going to get the benefit of the Act now, why would not these fellows I have mentioned at Royal Roads come under it?

Mr. PARLIAMENT: Anyone who joined the forces after March 31, 1946, would not benefit by the Veterans' Rehabilitation Act.

Mr. WHITE: Even under this new section?

Mr. PARLIAMENT: Even under the new section. This is only a cut-off date stating when he must apply for his benefits.

Mr. PEARKES: Where do you find this date of March 31, 1946?

Mr. PARLIAMENT: In section 17 (a) of the Veterans' Rehabilitation Act.

Mr. PEARKES: You are satisfied that this provision would not apply to the young man who joined the permanent forces after the war was over, became dissatisfied between now and the 30th of June, purchased his discharge and got out. He would not be eligible for these grants?

Mr. PARLIAMENT: I am quite satisfied that any person who enlisted after March 31, 1946, who had never served previously, would build up no benefits whatever under the Veterans' Rehabilitation Act.

The CHAIRMAN: Shall clause 6 as amended carry?

Mr. PEARKES: Just a minute, now. Where did you get this date of March 31, 1946? To what does that apply?

Mr. PARLIAMENT: Section 17 (a) of the Veterans' Rehabilitation Act.

Mr. PEARKES: That still means that the people who joined after V.E. day will get the benefits of this Act. Operations ceased in the spring of 1945 so it would be possible for someone who joined after operations were over but before March, 1946, to get the benefits of this Act?

Mr. PARLIAMENT: That is quite right. Anybody who joined prior to March 31, 1946, would get the benefits of the Act. After March 31, 1946, he has no benefits under that clause. We have men in training already who have qualified under that clause.

Mr. SKEY: Did the permanent forces of Canada accept any applications for permanent force status before March 31, 1946? I think there was an interim force there which meant nobody could join the forces before that date. I am just asking the question to clarify that point. Could the deputy minister tell us if anybody was permitted to join any of the forces of Canada before March 31, 1946?

Mr. WOODS: I would have to ask the Department of National Defence.

Mr. SKEY: There is this question of the date. It must be the date which ended the interim service and began the permanent service of all our forces. Then, you cannot have anyone who has joined up getting these benefits who would not be entitled to them.

The CHAIRMAN: Perhaps we could get that information for you in a moment.

Mr. SKEY: Do you not think we could withhold this clause until we have further evidence?

The CHAIRMAN: I think we could get around it by having the secretary get in touch with the Department of National Defence and find out. The question we want answered is whether there were any enlistments in the permanent forces of Canada between the end of hostilities and the 31st of March, 1946. If there were not, we have no problem.

Mr. PEARKES: Wait a minute, now. There would be men joining the interim force at that time who subsequently transferred to the permanent forces. It is a question of whether there were any men joining any forces between those two dates.

The CHAIRMAN: The interim force; my recollection is that the interim force was largely transfers from active forces. Was there any enlistment for interim forces?

Mr. PEARKES: I would not say definitely. I think we should find that out.

Mr. HERRIDGE: That will be for the army and the air force?

The CHAIRMAN: Yes, the armed forces.

Mr. WOODS: This section has been in the Veterans' Rehabilitation Act since it was enacted. Most of those who benefited will have had their training by now.

Mr. BROOKS: Is not this the point; the date of the end of the war was not fixed as V.E. day, it was fixed as another date. I can see how some men, as General Pearkes has suggested, might receive benefits who joined between the date firing actually ceased and the date set as the end of the war.

The CHAIRMAN: That is the problem which confronts the committee now. The secretary will get a reply from the Department of National Defence in the course of a moment or two.

Might I break in for just a moment to say to the committee that we are nearing the end of this particular bill. There might be a five minute hiatus when we are through, before the delegation we are to hear makes its appearance.

Mr. CROLL: On what?

The CHAIRMAN: The civil servants; since they are the handiest, we called them first.

Mr. GUNN: I merely wanted to mention, Mr. Chairman, that I think the answer to this question is found in the explanatory notes in the bill. It says this is a new section intended to provide cut-off date from which persons who never became civilians, that is, veterans within the meaning of the present Act, but who continued to serve in the forces mentioned, shall be deemed to have been discharged therefrom. It refers to people who never became civilians and who are not now civilians.

The CHAIRMAN: The point at issue is as to whether or not the wording of the bill clearly brings about the intention of this explanatory note.

Mr. GUNN: It has to be read in conjunction with section 17 (a).

The CHAIRMAN: In clause (a) it is clear because it says, "is serving." In clause (b) it says, "is domiciled and is serving."

Mr. WRIGHT: While we are awaiting that reply, I should like to ask a question in regard to clause (b).

The CHAIRMAN: Without prejudice, you may do so.

Mr. WRIGHT: Clause (b) admits students who have been taking courses in university training for entry under the Veterans' Land Act. Will these students have the ten year period in which to make application which the others are permitted under the Act?

The CHAIRMAN: I think you have forgotten, Mr. Wright, the ten-year period does not apply under the V.L.A. There are varying limits with respect to the different benefits of which a veteran may take advantage. In the case of V.L.A. he never outlives his right to apply.

Mr. WRIGHT: He could apply any time within ten years, under the Veterans' Land Act?

The CHAIRMAN: I think you are in error. There is no limit under the Veterans' Land Act.

Mr. WRIGHT: Then, those chaps who take advantage of this clause could apply any time under the Veterans' Land Act?

The CHAIRMAN: As soon as they pay their money back and find a spot. If they meet the other qualifications, they are entitled to apply any time.

Mr. WRIGHT: That is the point I wanted to clear up.

(Off the record discussion.)

Mr. BROOKS: I wonder if I might ask a general question with reference to this bill. I have had some letters from boys who are taking university courses. They had left school in grade 10, some of them before they had finished the high school course. They had prepared for matriculation in the schools we established: some of them were good and some of them were not so good. When these boys went to university, they did not quite make the grade although they worked very hard. I know of two or three cases in particular, and I was wondering if there was any leeway given to the university to say these boys came in poorly prepared. They have made a good effort and would, perhaps, make good students if given another opportunity to take the year they have lost. It seems too bad that these boys are to be dismissed from the university because they have failed the first year due to poor preparation previous to

going to university. I should like to ask Mr. Woods if there have been any representations made on behalf of these boys or any leeway given to the universities in this respect.

Mr. WOODS: Up to the present, Mr. Chairman, we have gone so far as to tell a boy who failed, if you can take this term again under your own steam, we will pick you up from there. If we undertake to give the year over again to some who fail, we will have to do it for all. If they will catch up at their own expense, we will pick them up again and carry them on.

Mr. BROOKS: I see the difficulty, of course, because there would be those who were not in the same class who would want the same treatment.

Mr. WOODS: One of the purposes of the amendment is to give a man who is not quite of university calibre the opportunity to take a trade.

The CHAIRMAN: There is no restriction, Mr. Woods, is there on those switching, beyond the fact they must not have exhausted their entitlement.

Mr. WOODS: That is right. If he has had one term at university, he has to repay that.

The CHAIRMAN: If he had been long enough at university to exhaust his month to month quota, he could not begin again. Would this not be true, though, if he had five months to go, he would still be able to complete his university course, even though it exhausted his entitlement, provided he made satisfactory progress?

Mr. WOODS: We cannot carry him beyond his length of service unless he finishes in the top 25 per cent.

The CHAIRMAN: If he made the top 25 per cent qualification, he would be in the same position as if he used his whole entitlement under the Act.

Mr. BROOKS: That top 25 per cent qualification, would that apply to the last year in which he received the allowance or over the whole period?

Mr. WOODS: He would have to use up his legitimate entitlement first.

The CHAIRMAN: But if he repays, he has a full entitlement to start over again.

Mr. QUELCH: If a veteran were to receive help by way of a loan, would he have to repay that as well before he could come under the Veterans' Land Act, for example?

Mr. WOODS: I did not catch that question.

Mr. QUELCH: If a veteran had received a loan whilst at university, would he have to repay that before taking advantage of the Veterans' Land Act?

Mr. WOODS: There is nothing in the order in council which provides funds for lending to students. There is nothing in there which says they have to repay it before they are entitled to benefits elsewhere.

The CHAIRMAN: This has nothing to do with the evidence we have been hearing today, but I had a question asked me yesterday, Mr. Woods, with respect to whether or not you were in a position to report the extent to which our lending to students at universities had improved as a result of the directive which you sent out earlier in the session. Have you any information with respect to that? I think the committee would like to have it.

Mr. WOODS: I may say for the information of the committee I was speaking to Dr. Chant of the University of British Columbia, and he advised me when the limitation was lifted from earnings the lending practically disappeared, that they had not sufficient applications for a meeting since the regulations were amended permitting them to earn whatever they can earn without reducing their allowance. I think Mr. Parliament will answer your question more specifically.

MR. PARLIAMENT: There is \$180,699 out on loan with an average loan of \$250. The university committee, that is, the university authorities and our own people, are working very closely together, and all the complaints we have had in the past regarding loans seem to have disappeared recently.

MR. GAUTHIER: Following the discussion the other day when I was supported by Mr. Croll as to discrimination against N.R.M.A. men inside the Legion may I be permitted to read to the committee a letter which I have received from the Army, Navy and Air Force Veterans in Canada signed by Mr. A. J. Wickens.

Dear Mr. GAUTHIER:

I was very much interested in reading in the paper the discussion which took place in the committee on Veterans Affairs about N.R.M.A. men.

I think it is due the committee that they should know the attitude of the Army, Navy and Air Force Veterans in Canada on that question. On several occasions at conventions and in executive meetings the same question has been raised but common sense seemed to have prevailed in our consultations and the N.R.M.A. men have always been accepted as members of our organization.

We feel and I think justly that any man who has served in the armed forces of the country is entitled to the benefits of membership in a veterans organization. When the matter has come up at various times the writer has always taken this position that any man who declined to volunteer and waited until his country called him may have had many reasons which to him were good and sufficient for that attitude. He may have felt that his obligations to his family or to his associates were such that he should require his country to call him before going. It may also have been a matter of conscience and it can readily be understood how a man might feel that his conscience would not allow him to volunteer to kill his fellow men but would permit him to do that service to his country upon his country's demand.

Particularly too there are many N.R.M.A. men who saw actual combat service and who were wounded, some quite seriously and on the other hand there were many active service volunteers who served at a desk in Canada and were in no more danger than the civilian population. It is not contended that the volunteer desk soldier should be discriminated against because it is a soldier's duty to obey orders and go where and do what he is told, but certainly a man who saw combat service as an N.R.M.A. person should be entitled to at least as much consideration as a man who volunteered active and never saw combat service.

In our discussions it was very definitely pointed out by the writer that one of the main functions of veterans' organizations was to achieve national unity and you can have no national unity when you draw distinctions between types and classes of service to the country any more than you can by drawing distinctions between nationalities, language or geographical locations of the citizens.

The writer in addition to being Dominion President of the Army, Navy and Air Force Veterans in Canada is a private member of the Legion.

I compliment you doctor on your courage in bringing this matter out into the open and I sincerely hope that it will result in the Canadian Legion reversing its attitude. I was very much pleased to notice at Saskatoon that the national leaders disagreed with the expressed view of the convention.

Yours truly,

A. J. WICKENS.

Mr. Chairman, I think that due consideration should be given to opinions like this, and I hope that not only the members of the Legion but members of the committee and members of the House of Commons will stress the fact that this discrimination has lasted too long, and that the Legion will soon reverse its opinion and give the N.R.M.A. men proper consideration.

The CHAIRMAN: Apparently we have started the whole army in motion. They are waiting for a telephone call to clear that up. I think it is the intention of the committee, since that is all that remains, to dispose of it this morning. I must say we have dealt with the legislation in a manner which was more expeditious than we had anticipated, and we did not ask the delegation to be here before 12 o'clock.

Mr. LENNARD: It is almost 12 now.

The CHAIRMAN: It is almost 12. We are still waiting for those two things. I think perhaps we might break off for five minutes and tell stories or do something else unless there is anything relative to the bill.

I should like to continue the meeting and hear this delegation because you are all aware of the pressure that is on all of us in committees and in the House itself. There is one other thing I should like to say. I am taking advantage of this moment to say it. Under prodding of Frank Lennard I have not made very many speeches, but I will make something in the nature of an appeal to all members of the committee. We have about seven different delegations to hear with the possibility of others, and I will urge on the members of the committee, that as to the hearing of these organizations which are not strictly veteran, but which are involved in veterans' legislation—and all but one of the delegations will be of that type—that as many of the members of the committee as possible attend in order that they may feel that we are appreciative of their problems when they come. Since it is outside the scope of immediate legislation I know the temptation to feel the weight of pressure of other business, but I hope we will be able to continue our remarkable attendance record for the few meetings which will be necessary to hear them.

Mr. BENTLEY: Before you break off have there been any meetings of the subcommittee that was set up to study the matter of divorce?

The CHAIRMAN: Thank you for reminding me of that. We might hear from the chairman. He is here.

Mr. HARRIS: There has not been a meeting. There have been several discussions among the members, but one of the most experienced members of the committee has been absent for some time, and we have been waiting for his return. We will have a report ready for you within a week, I think.

Mr. Woods: In connection with the point Mr. Pearkes has raised, and regarding which you are now seeking information, I should point out that for the past three years we have been recognizing service up till March 31, 1946. That has been, rightly or wrongly, considered to be active service for the purpose of the various benefits. The only people who have not availed themselves of those benefits are those who are still in the forces, but if you now delete that March 31, 1946, and substitute V-J day will be denying benefits to men who remained in the forces that you have made available to everybody else who has already been discharged. In other words, service up to March 31, 1946, has been regarded as service for training right along.

Mr. PEARKES: May I ask what benefits are liable to accrue under this new section and to whom?

Mr. Woods: This sets the terminal point after which they will not be eligible to apply for training. That is all. Training is provided under section 17 of the Veterans Rehabilitation Act, and this merely says that after a given date you are out of court.

Mr. BROOKS: It does not change the qualifications?

Mr. WOODS: No.

Mr. PEARKES: Can a man who is still serving get any of these benefits?

Mr. WOODS: While still in the service?

Mr. PEARKES: Yes.

Mr. GUNN: I think the answer is that if he had acquired to his credit certain benefits before the 31st of March, 1946, he has been able during the interval to obtain those benefits. Now that particular type of veteran is being put in the position of having to apply for them within the proper time, by the 30th of June, 1948. He cannot let the matter drag any further.

Mr. PEARKES: Does that mean he has to get out of the service?

Mr. GUNN: No.

Mr. PEARKES: He can get those benefits while still in the service, can he?

Mr. GUNN: Yes, provided he gets his application in before the 30th of June, 1948.

The CHAIRMAN: If it is an application for university training he obviously cannot take that while he remains a member of the permanent force? He can get entitlement, but how can he actually attend his lectures?

Mr. WOODS: He can get leave of absence.

Mr. QUELCH: If a man remained in the permanent force for five or six years more he would be entitled to the gratuity, would he not, but on the other hand he would not be entitled to the re-establishment credit?

Mr. GUNN: He is always entitled to the credit.

Mr. QUELCH: To the re-establishment credit seven years from now if he stayed in the army?

Mr. GUNN: Yes.

Mr. QUELCH: He would be entitled to the re-establishment credit?

Mr. GUNN: Yes, he is entitled to his gratuity and credit at any time at all within the ten-year limitation. That is to say, with respect to his credit he is always entitled to it, but he has got to apply for his credit within the ten years prescribed by the War Service Grants Act.

Mr. CROLL: In view of the confusion in the committee I think it becomes very important that these laws be made known to the rank and file who are affected, not only by orders but in some other way, such as calling them together at the various stations and letting them know just what is going on, because a great number of people do not know. As a matter of fact, we who presumably ought to know are also confused, but I think we have gone a long way in our task here in the last three years. I was a little surprised for a moment when General Pearkes stood up and said that he was opposing the section, or drawing it to the attention of the committee that we were a bit too generous. That really was not what he intended to say, but I think when we can criticize an Act because it is overly generous we have reached the stage in our soldier legislation that we originally intended to attain when we started back in 1945. It seems to me this is a good section, and I have no criticism of the word "generous" at all, but when we come here and say, "Now, have you not gone a little too far", it would appear we have at least gone far enough.

Mr. PEARKES: I said it was too generous in that it applied to a type of person whom I did not think the Act was intended to cover. I am not criticizing it because it is generous towards men who served in a theatre of war or anything like that, but I do not think this Act was ever intended to apply to the type of man to whom I referred.

The CHAIRMAN: Gentlemen, the clerk will now give us the message which he has received by telephone from the Adjutant General's office.

The CLERK: This is from Colonel Mathieu, Associate Deputy Minister, who has been in touch with the Adjutant General. The permanent force was legally constituted on the 1st of October, 1946, and there were no appointments made to it prior to that date.

The CHAIRMAN: And this Act deals with members of the permanent force which would seem to exclude any one prior to that date.

Mr. BENIDICKSON: I do not think that answers General Pearkes' question which was whether it was impossible for anybody to be in the permanent force now who enlisted after V-E day.

The CHAIRMAN: The Act applies to those persons who are members of the permanent force, and the reply which we get from the army is that no one who was prior to the 1st of October, 1946, could, in fact, be a member of the permanent force, could be appointed to the permanent force.

Mr. CROLL: As the deputy minister points out if we made a mistake we made it three years ago, and we are all culpable to that extent, but to do anything at the moment would be to deprive people who are perhaps halfway in or three-quarters of the way in, or just starting to get the benefits of it. It would be a serious mistake for us to interfere with it at the present time.

Mr. WOODS: I think I mentioned it before but I might point out that the amendment that is now before the committee does not give the permanent force anything. They are entitled now; they have had their entitlement for three years, and this is proposed to curtail it. This says that if you do not avail yourself of it before June 30 you are out, but they have had the rights they are entitled to right along.

The CHAIRMAN: Shall clause 6 carry?

Carried.

Shall the title carry?

Carried.

Shall I report the bill?

Carried.

Gentlemen, we now have with us Mr. Charles H. Hope, who is Dominion Vice-President of the Dominion Civil Service War Veterans Association. Before I call on Mr. Hope to present his brief to the committee I think I might conform to the usual practice, enthusiastically supported in the past by the committee, and extend to the officers from the department who have attended and advised us with respect to this legislation the thanks of the committee for their cooperation.

Mr. HERRIDGE: Before you proceed, and the officers of the department leave, I wonder if it would not be possible for the department to draft in ordinary layman's language the accomplishments with regard to legislation for the use of the members of the committee travelling around the country. It is very easy to overlook a point.

Mr. CROLL: Not political use.

Mr. HERRIDGE: To the advantage of the government entirely.

Mr. PEARKES: You will see it in Veterans Affairs.

The CHAIRMAN: I do not think they should say who moved the 25 per cent increase in pension but just that the committee approved of it.

Mr. WOODS: As a matter of fact, a member of the committee has already written to me about it, Mr. Timmins, and I assured him that we will be very glad to make a synopsis available not only to the members of the committee but also to the Legion and other veterans' organizations.

Mr. TIMMINS: Something in the form of a booklet?

Mr. WOODS: I am inclined to think it may be in a form that can be used as an addendum to your veterans' charter.

Mr. BENTLEY: That would be better.

The CHAIRMAN: Gentlemen, I will now introduce Mr. Charles Hope. Mr. Hope has a short brief. We had called him for this afternoon, not anticipating that we would finish as rapidly as we have this morning. He has not got copies of it with him. However, he will read the brief to you and the copies will be distributed to you when we get them.

Charles H. Hope, Dominion Vice-President of the Dominion Civil Service War Veterans Association, called.

The WITNESS: Mr. Chairman and gentlemen, I am indeed sorry I have not sufficient copies available. I will have them this afternoon and I propose to forward a copy to each member. In presenting this brief we have endeavoured to be concise, to the point, and while it is possibly not in parliamentary language it is certainly in lay language. If I may I will run over the brief and then either discuss individual items or place myself at your disposal for questioning, whichever you consider the better way. I might mention by way of introduction that there are approximately 40,000 veterans in the government employ and approximately 8,000 of them are members of our association.

We, the Dominion Civil Service War Veterans' Association, representing eighteen branches across Canada with approximately eight thousand members, herewith submit for the consideration of the parliamentary Committee on Veterans' Affairs the following points affecting ex-service personnel now in the employ of the dominion government.

1. That time served in the armed forces be counted towards seniority on the same basis as if the time were served in civil service employ.

2. That time served in the armed forces be considered as time served in the civil service for purposes of statutory increases.

3. That consideration be given to time served in the armed forces in considering promotional applications and examination. We would suggest that such armed force service be allowed to apply up to a stated percentage of the experience required on all examinations.

4. That any qualified veteran who is a temporary civil servant be allowed to apply in any promotional examination as a matter of right and not at the discretion of the department concerned.

5. That "in service training" and "training on the job" be extended to veterans now employed in the civil service as a further step in their rehabilitation.

6. That the principle of veterans' preference as laid down by parliament in the matter of civil service employment be strictly adhered to. We feel that the attempts to by-pass this principle are becoming too prevalent.

We also feel, now that wartime conditions no longer exist, that the principle of veterans' preference should be incorporated in all government employment including boards, agencies and crown companies. In this connection, this association would recommend that all recruitment to government employment should be carried out through the Civil Service Commission.

7. We suggest that the age limit on appointments in the civil service be lifted in so far as ex-service personnel with Canada service only is concerned. This would allow such personnel consideration without affecting the provisions of veterans' preference. We suggest also that such

appointees be given superannuation privileges along the lines extended to appointees coming into the service from provincial government employment.

8. We ask that the Superannuation Act as it affects ex-service personnel with overseas preference be amended whereby the dominion government assume the government's share of superannuation contributions for the time served outside of Canada.

We contend that during the war years such personnel were employed on very vital work by the dominion government and therefore should be treated on the same basis as if employed by the civil service in Canada during those same years.

9. We ask that superannuation in the cases of veterans be calculated on the basis of their last five years' salary in the civil service employ.

10. We ask that for purposes of superannuation, World War 1 overseas service be extended from November 11, 1918, until the date of discharge or a later fixed date to allow for demobilization. We would further suggest that special consideration be given to such veterans in calculating the amount of interest to be paid on superannuation contributions for World War 1 service.

11. We ask that ways and means be considered whereby older veterans who have given satisfactory service for a number of years in civil service employment, but because of their age and length of time away from school are unable to pass the standard civil service written examinations may be confirmed in their positions.

12. We ask that a representative of the Dominion Civil Service War Veterans' Association or a special representative from the Department of Veterans Affairs, who is familiar with civil service conditions and problems, sit on all examination and review boards.

13. We ask that the dominion government arrange for the representation of the Dominion Civil Service War Veterans' Association on the national joint council to ensure proper consideration of the veterans' interests in the civil service.

Those are the contents of this brief. Mr. Chairman, would you like me to proceed to talk or shall I leave myself open to questioning?

The CHAIRMAN: I am in the hands of the committee.

Mr. LENNARD: It is rather difficult to sum up the situation without having the brief before us.

The CHAIRMAN: I was going to suggest, Mr. Lennard, that in view of the fact that Mr. Hope is unable to distribute the brief at the present time—it is not his fault—that we might have him explain it to the committee. He might explain on each of these points just exactly what is asked for and what the change would mean; and when he does that the committee might question him if they so desire. I think that would meet the situation.

Mr. CROLL: I am afraid not, Mr. Chairman; the trouble is that point 7 may be related to point 11; and in the course of questioning, unless we have the brief before us, we are apt to devote ourselves to, perhaps, something that is not as important as some other point. I think we should wait until 4 o'clock when we have the brief before us.

Mr. BROOKS: My suggestion is that Mr. Hope might explain some of these points which he has enumerated and tell us just what he has in mind, and if he gave a sort of résumé of what he has in mind on each of these points then when we receive the brief this afternoon we will be in a better position to proceed with it, because I suppose we will not receive the brief until after we have come into the meeting here and we shall not have time to study it then.

The CHAIRMAN: Our meeting will be a short one. We have no other witness today than Mr. Hope. My suggestion was that he give us an explanation of what each of these suggestions mean. However, we shall meet again at 4 o'clock and dispose of this matter.

Mr. BENTLEY: I think Mr. Croll has the right idea. Until we have the brief in front of us we can hardly remember what Mr. Hope tells us and there might be interlocking matters. I believe we should wait until this afternoon when we have the brief before us.

The CHAIRMAN: If that is the wish of the committee I will entertain a motion to adjourn until 4 o'clock.

Mr. BENIDICKSON: Have we a representative of the Civil Service Commission here?

The CHAIRMAN: No. As I understand it, these gentlemen did not expect to be called until 4 o'clock. When it looked as though we were going to finish up our business at 11.30 I sent out a message and asked them to come.

Before we adjourn, may I say for the information of the committee that it is now proposed to conclude this matter this afternoon. On June 10 Mr. Pierce of the R.A.F. Transport Command has been warned to be here, and we will contact the Red Cross and ask them to be here. We are also to hear the student Veterans who wish to make some representation and we will warn them for June 10. We shall warn the merchant seamen and the firefighters to be here on Tuesday the 15th of June, and the soldier settlers for Thursday the 17th of June. That is our program. With respect to some of these, gentlemen, I am sure that their briefs will be short. We will put as many in as we conveniently can.

Mr. QUELCH: When you speak of the soldier settlers do you refer to the Veterans' Land Act or soldier settlement?

The CHAIRMAN: No, their representation is not with respect to the Veterans' Land Act, which is not provided for yet; but this will be a Soldier Settlement Board matter.

Mr. LENNARD: I thought it was agreed last Thursday that the first two mentioned organizations would be called for this coming Thursday. Why have they not been notified before? I refer to the Red Cross particularly. I distinctly understood they would be before us on Thursday.

The CHAIRMAN: I think we just called one, Mr. Lennard. The committee felt that bill 200 might well occupy both periods today. We originally intended to have the Civil Service War Veterans' Association and the Red Cross before us at that time, and the R.A.F. Ferry Command.

Mr. LENNARD: I did not understand it that way. I understood that the Civil Service Veterans' Association being a local body could very well be fitted in at any time while others might have to come from some distance.

The CHAIRMAN: The secretary warned Mr. Hope and Mr. Pierce of the R.A.F. Ferry Command for Thursday, and they have been brought forward in advance.

The committee adjourned to meet again this afternoon at 4 o'clock.

AFTERNOON SESSION

The committee resumed at 4 p.m.

The CHAIRMAN: Gentlemen, it was arranged this morning that we would come back this afternoon and give Mr. Hope an opportunity to answer questions respecting his brief, which brief is now in the hands of members of the committee.

It was also said at that time that we would notify the Civil Service Commission of our meeting this afternoon and that they would have an opportunity to sit in and listen and give information if they could. The chairman of the commission informs me, through the clerk, that the notice was too short; that the man who ordinarily would do that sort of work is not in town today, and that the board are fully occupied. They will, however, answer any questions. Shall we proceed?

Mr. SKEY: Mr. Chairman, is someone from the commission going to come here at some time?

The CHAIRMAN: They are subject to call, of course.

Mr. LENNARD: They were called today and did not come.

The CHAIRMAN: We did not give them much notice—only since half-past eleven. They will, of course, be brought here at some future date if the committee deems that essential.

Mr. BENTLEY: Before Mr. Hope is called, I would like to direct attention to the fact that he will be questioned by members of the committee without the Civil Service Commission being here to reply and give us the other side. Therefore, we will be rather at a loss. I suggest if we are going to have the Civil Service Commission here to question them also on this matter that it should not be done until we have the reply of the present witness on the record so that we can refer back to the evidence. If we call the commission on Thursday morning we will not have the record of today's evidence before us.

The CHAIRMAN: The situation is this: there was no request to call the Civil Service Commission beyond the fact that this representation touches on something which deals with that department and, as a matter of courtesy, it is the custom of the committee—and I was reminded of it this morning—to give departments an opportunity to be present and to watch the proceedings, as was the case when we were dealing with the War Veterans' Allowance Act when we had the Department of Pensions and Health send an observer here. The commission have been given that opportunity and they have found it impossible to be here today. However, if members of the committee, as a result of our discussion, desire to question the commission with respect to our discussion today we will have to call them for a future meeting. As a matter of fact, the chairman of the commission expressed their willingness to come here.

Mr. BROOKS: Is not this entirely a civil service matter, anyway? If we were of the opinion that these representations deserved consideration and recommendations were made for amendments under the Act—it would have to be an Act—the Civil Service Act; and not an Act of the Department of Veterans Affairs.

The CHAIRMAN: That is quite true.

Mr. SKEY: How does this case differ from that of the veterans generally?

The CHAIRMAN: Because this is an Act; because the veterans are interested. We have the power to deal with any Act which deals specifically with the re-establishment of veterans, and the Civil Service Act quite definitely does deal with the re-establishment of veterans and has nothing to do with other service veterans.

Mr. BLAIR: We can only make recommendations.

The CHAIRMAN: We can only make recommendations to the House.

Mr. HERRIDGE: With regard to calling the Civil Service Commission, of which I am very much in favour, we want to get their side with regard to these proposals and any information we could, and I suggest that we get also statistics of the numbers of returned men employed since the war, with overseas service.

The CHAIRMAN: I think, probably, we can get most of the information that we require with respect to this in other ways. There is a recommendation

of the Legion in its brief, respecting one of the requests which is made here. I submit, gentlemen, this is a different situation from that which we are met with when we are dealing with specific legislation, in the sense that from here on the committee is sitting in the capacity of a grievance body, a protest committee, to give an opportunity for persons who are affected by legislation to make suggestions to the committee with respect to these phases of the legislation which touch on the veteran. For instance, part of the Civil Service Act is veteran legislation, and for that reason these people are able to come here; but we have no power to deal with the other aspects of the matter.

Mr. HARRIS: Instead of notifying the Civil Service Commission should we not have notified the minister responsible for the Civil Service Commission?

Mr. BLAIR: You have started something.

Mr. HARRIS: Because actually we are getting into his department.

The CHAIRMAN: He is not very far away. I suppose, as a matter of courtesy, he should have a watching brief. Actually, that, Mr. Harris, as you know, has a great deal more formality than fact. I think we had better do some work on this matter, and I will call Mr. Hope.

Charles H. Hope, Dominion Vice President of the Dominion Civil Service War Veterans' Association, recalled:

The WITNESS: Mr. Chairman and gentlemen, how do you propose that I should deal with this matter—leave myself open to questions or deal with individual cases?

The CHAIRMAN: I think if you deal with these points one at a time and tell us what it is you seek to achieve and then permit the members of the committee to ask you questions afterwards, that would be satisfactory.

The WITNESS: In the first case:

That time served in the armed forces be counted towards seniority on the same basis as if the time were served in civil service employ.

The explanation in several of these will more or less overlap. A person coming in as a temporary civil servant during the years 1940 to 1945 was taken on on a temporary basis, and as far as service men were concerned—and I believe the understanding was given to the country as a whole—they were to be temporary employees subject to dismissal and so forth, with priority to service men when they returned from overseas. Now, that to some extent has been carried out, but a great many of those temporary civil servants are being retained. Their usefulness through the training they received through the war years the departments claim cannot be replaced. Now, we feel that a man who has served time in the armed forces should receive the same consideration towards seniority in the department as a man who came in as a temporary with no armed war service.

Mr. LENNARD: You mentioned the armed forces. You do not limit that to overseas service, do you?

The WITNESS: Generally speaking.

Mr. LENNARD: You did not mention it.

The WITNESS: Yes, that is the basis of the preference. That is laid down by parliament now, we have accepted that.

By Mr. Baker:

Q. You are referring, I take it, to men who were in the civil service and went to serve in the army? You are not counting the time of the man who joins the civil service now, are you?—A. Yes.

Q. You are not making it retroactive where they have not taken the civil service examination?—A. Exactly. In so far as 1940 is concerned we feel that a veteran from the services should receive the same consideration for seniority as a non-veteran coming in from the government during the war years.

Q. Whether he was a civil servant before he went into the army or not?—A. Yes.

By Mr. Bentley:

Q. What you meant is this: this would not apply to anyone, civil servant or otherwise, who was not in the service prior to 1940?—A. Oh, no; it would apply only to what you might term temporary employees taken on during the war years.

Q. That would be after 1940, and any veteran who comes into the civil service now would have his seniority dated back to 1940?—A. Dated back the comparative years he served in the armed forces.

Q. But not further back than 1940?—A. No, sir.

Q. Could I ask another question of the witness? No doubt you have discussed this matter with the Civil Service Association; what is their objection to it?—A. To be perfectly frank, a great percentage of the economic associations are composed of temporaries and they naturally feel that the time they served in the civil service employment has fitted them to do the job better than the veteran coming in today. We disagree with that.

By the Chairman:

Q. You mean to say that that would be so with regard to one of the departments of finance, for instance?—A. The question, as I understood it, was regarding the associations—the other economic associations.

Q. You suggest it is your belief that five years in a tank corps, for instance, is as good a preparation for a technical job of that description as five years of experience on the job; is that what you were saying?—A. That is more or less what we are advocating; but the point is this, that we feel that a man who served overseas has received a certain amount of training and discipline that stands him in good stead. Another point: further down you will see where we suggest that a certain percentage of the experience required on a job should be allowed for war seniority—the time served in the forces.

Q. It should be somebody's responsibility to consider the public service?—A. Exactly.

Q. As well as the placement of people.

By Mr. Bentley:

Q. I suppose that all of you, or nearly all of you, belong to a civil service association—that is the over-all association?—A. Yes.

Q. Then you have this veterans' association?—A. Yes, sir.

Q. And the civil service association—that is the over-all association—does not agree with this principle?—A. We are not affiliated with them. Eighty per cent of our members have some affiliation with either the federation or the amalgamated, or a professional institute; but we are an entirely separate organization who co-operate with the other economic organizations. We do not interfere in questions of an over-all civil service nature—only matters and problems affecting veterans.

Q. Actually your representations have not met with favour in the civil service association?—A. Not wholly.

Q. Not yet. Leaving the civil service association aside for the time being, what do the governmental heads think of this?

Mr. HARRIS: Mr. Chairman, may I speak off the record?

(Discussion off the record.)

The CHAIRMAN: Mr. Harris went off the record, not to break the continuity of your question, and raised a point which I think is vital if we are going to discover anything here. We will have to confine ourselves, I think, to the presentation of cases and the getting of facts on which we can base judgment, and I do not think we will accomplish anything—and I hope the committee will support me in that contention; I will hew to it very closely in the committee—I do not think we are going to get anywhere in delving into the motives which lie behind the actions of this or any other body. They have presented a reasonably concise brief of what they require, and I think they should be given every opportunity to produce facts supporting their brief. I think, myself, that you will agree, Mr. Bentley, that what the Civil Service Association had in mind when they rejected some points in this brief—or any other body—is not factual, unless we get the information from them themselves, and can only be a matter of conjecture from the witness. I think that was the objection raised a moment ago, and I think the committee will bear me out in saying that while that was not the intention of the questions asked it was the effect; and perhaps we had better stick to things the witness knows and not what he thinks.

Mr. BENTLEY: If I were to follow my own inclinations the very fact that a veterans' association has presented a brief would be sufficient for me to say O.K.; but I am being asked for some reason or other, as a member of this committee, to make a decision on this without following my own inclinations. I am supposed to use some judgment also; and how am I to do that without hearing the other side? If we are going to hear a brief any time a veterans' association wants something I think my inclination is to give it to them, but we are going to be asked to recommend to the House of Commons and to the government to change some sections of the Act—

Mr. HARRIS: You mean Mr. Hope has asked that?

Mr. BENTLEY: We are being asked to support Mr. Hope. I want to hear both sides of the story, otherwise I say let us pass this and let us agree to it and recommend it. Why go over it if we are not going to hear two sides to the story?

The CHAIRMAN: At the moment we have afforded Mr. Hope an opportunity of telling us what their requests are and of marshalling his facts, as well as the opportunity of replying to questions on statements of fact. All I am suggesting from the chair is that we confine ourselves to an examination of the things he knows of his own knowledge.

Mr. BENTLEY: With no comment whatever from us?

The CHAIRMAN: No, no, I suggest we should not ask him why somebody else did something. It is quite in order for us to give him an opportunity of giving all the facts he can in conducting his argument. A negative question such as why some other body is not supporting him can only be a matter of opinion or conjecture on his part and is not evidence. I suggest it is not helpful to a decision in the case. If he gives facts which are sufficient for the purposes of this committee, we will be enabled to either accept them or disagree with them.

Mr. Harris has suggested, and I agree with him, that the members of the committee should ask the witness questions which he can answer of his own knowledge and not give us his opinion of somebody else's opinion.

Mr. BRYCE: My hearing does not seem to be good today or something is wrong. At anyrate, the witness talked about 1940 and he also talked about overseas service. Do you mean that the men who enlisted in 1940 are the men you would bring under this scheme or the men who served overseas or both?

The WITNESS: The men who have served overseas since 1939 or, if you like, since September 1939; since the beginning of the war and during the time we were at war.

By Mr. Bryce:

Q. You do not suggest any date for the men who were here all the time but who enlisted in 1939?—A. That would be rather difficult. I think it would be difficult to ask you to make a decision as to whether greater consideration should be given to a man who enlisted in 1939, and served five years in England or the man who enlisted in 1944 and served six months in France. It would be rather a difficult decision to ask anyone to make.

By Mr. Quelch:

Q. You are not asking for a second preference, you are asking for a preference for those men who served overseas with the armed forces?—A. That is right, sir.

The second suggestion is that time served in the armed forces be considered as time served in the civil service for purposes of statutory increases. Our object in making that suggestion mainly concerns the men coming into the civil service in the lower brackets. A great many men come into the civil service as grade 2. In pre-war days, the men who came into the service as grade 1, worked their way up to grade 2. They were well up into the grade 2 bracket before they had family responsibilities.

With the rehabilitated veterans we feel that if their qualifications can only be applied to a grade 2 position when they return, they should get a salary adequate to maintain a family. They have full time responsibilities when they come into the government service. Therefore, we suggest that the time they have served in the armed forces be construed as time served in the civil service towards a statutory increase. Four years in the armed forces would give a man four statutory raises.

By Mr. Brooks:

Q. That would be whether they were promoted or not; whether they had accepted a more responsible position, they would still get these statutory increases?—A. Well, no. If they were promoted over a grade 2, for instance, they would have more than five increases. If they were promoted to a grade 3 or 4, that would be the case. We are particularly anxious to see something done for the man in the lower bracket.

Q. I see the reasonableness of your request.—A. Once we get into the grade 4 and principal clerk class, I think the men have a greater salary and are able to look after themselves. The men in the lower brackets are having a mighty difficult time.

By Mr. Harris:

Q. What is the variation in a grade 2 position?—A. \$5 a month, \$60 a year. If he received his five statutory increases it would give him \$300.

Q. That is the top of grade 2 as compared with the low in grade 2?—A. That is right.

Q. You want a man who goes into the civil service as a grade 2, in his first year, to be given credit for the period he served during the war which would probably put him at the top of the grade 2 range for salary purposes in many cases?—A. Exactly.

The third suggestion is that consideration be given to time served in the armed forces in considering promotional applications and examinations. We would suggest that such armed force service be allowed to apply up to a stated percentage of the experience required on all examinations. I believe Mr. Woods

or someone a moment ago questioned the advisability of allowing a man with four years service in the armed corps to count that four years towards a position in the excise department or something of that kind?

Mr. Woods: That was the chairman.

By the Chairman:

Q. I asked you if that is what you were suggesting?—A. I think we have our answer here. We feel that the considerations required for a great many jobs could be cut to the men who have mature armed forces experience. In other words, if it is necessary to have five years experience as an accountant, I believe if he were allowed to count two years of his term with the forces and three years actual experience to make up the five years required of normal applicants, it would meet our suggestion.

Q. Well, what you are saying, in effect, is you are discounting experience in favour of service in the forces?—A. Exactly.

Q. It is arbitrary. You are not suggesting his two years in the armed forces are, necessarily, worth five minutes experience in the job?—A. No. We feel if that man had not joined the armed forces and spent five years in the army but had spent five years gaining experience in an accountant's office, he would have had five years' experience which would certainly have stood him in good stead today.

Q. That is very true; I am not arguing the case with you, but I want to get very clearly the thing for which you are asking. It is a well-known fact that many people have had extended and distinguished service in the forces who would not be worth very much in an accountant's office, even though they might be qualified. Have you given due weight to the effect the adoption of such a principle would have on the public service? It is fine for the individual, but have you weighed what it would mean to the public service if that principle were employed?—A. I think we have. There have been a number of experiences in this connection. Personally, I have had an experience in my office. We have taken in green, ex-servicemen. We had 30 positions. We have taken 33 ex-service men to work on the Hollerith accounting machines who knew nothing about them at all; that is the punch card system. Out of the 33 men, there were only 3 who did not make the grade. I feel those 30 men, today, are the finest operating staff that can be found in the city of Ottawa. They are equal to anything that will be found in a commercial establishment.

On the basis of that experience, I feel that the veterans have matured considerably during their armed forces service and that some weight should be given to it. It would not prejudice the usefulness of the public service.

The fourth suggestion is that any qualified veteran who is a temporary civil servant be allowed to apply in any promotional examination as a matter of right and not at the discretion of the department concerned. Now, the Civil Service Commission has made a ruling that, at the discretion of any department, promotional examinations which, in the past have been held open to permanent civil servants only, may be opened to qualified temporary civil servants on their staff. Now, that is at the discretion of the department.

Q. Would those qualified temporaries be the men who took the qualifying examinations during the time that no permanent appointments were being made? —A. Yes, and who have taken them within the last year or so. The Civil Service regulation also states that a man must be qualified for at least one year before he can be made permanent. Now, the joker in that is that a good many men have been on a temporary basis for three or four years. The first qualifying examination came up approximately a year ago. They qualified. Now, they have to wait a year before they can be made permanent. Then, they have also to be reached on the list. There has to be a recommendation from the department and, in a good many cases, the department has been very slow in putting forward the recommendations for permanents.

In other cases, I feel the Civil Service Commission has been slow in asking for it. I think there is a two-way pull there. These recommendations should have been in long ago. At the moment, we have a great many temporary civil servants who have been several years in the service, who are qualified for permanent appointment and who are still temporary. Now, a position of a permanent nature is opened up and they are not allowed to apply for it.

By Mr. Harris:

Q. Why, because they did not serve in that particular department?—A. No, because they are temporaries and because their department has not given permission for temporaries to try.

By the Chairman:

Q. When you say, "their department", you mean the Civil Service Commission?—A. No, I mean the department. The Department of Fisheries or Trade and Commerce or any of the various departments.

Q. Which do not permit temporaries to apply for promotional examination?—A. The Civil Service Commission gives approval for that to be done, subject to the approval of the department.

By Mr. Skey:

Q. You want to give that opportunity to the veteran as a matter of right?—A. Yes.

By the Chairman:

Q. It is a further preference after his appointment that you want?—A. No, I feel that this question of holding qualified veterans as temporaries indefinitely is not right. I feel, if a veteran is qualified, he should be given a permanent appointment.

Q. Provided there is a permanent appointment available?—A. Yes.

Q. In many instances departments have a definite percentage of permanents and non-permanents?—A. Yes.

Q. At the present moment it is virtually impossible to get a permanent appointment unless you are a veteran. That being the case, the more recent appointments will probably remain on the non-permanent side for some time?—A. Yes, that is what is happening.

Q. Would you suggest the creation of more permanencies?—A. That would be helpful. In this particular case we simply want to allow qualified veterans the opportunity of qualifying for it.

The fifth suggestion is that "in service training" and "training on the job" be extended to veterans now employed in the civil service as a further step in their rehabilitation. This is a matter we have taken up with the Civil Service Commission. They have been working on "in service training" and, to some extent, "training on the job". As I mentioned a moment ago, a man serving four or five years in one of the armed forces, was doing something which did not stand him in good stead today. We feel that to compensate to a great extent for those wasted years, there should be greater in service training and training on the job developed, particularly for the benefit of the veteran. In the years to come, after the veteran has been taken care of, I would go further and say there is no reason why it could not be extended in order that all civil servants might make a career.

Mr. BROOKS: You mean you wish to run some sort of school to give the veteran extra service?

The CHAIRMAN: It is an application of the on-the-job training which they favour.

Mr. BROOKS: I believe the Legion recommended something along that line a few years ago.

The CHAIRMAN: I do not recall it but they certainly advocated on-the-job training which these chaps now call in service training. A man comes in with less than the qualifications and is assisted, over the years, to qualify; and with the financial arrangements on rehabilitation which apply to training on the job, I presume.

By Mr. Pearkes:

Q. Would that mean they would draw their training-on-the-job allowance at the same time they were drawing their civil service pay?—A. What we had in mind, sir, was that they would be trained on civil service jobs. They would be paid, for instance, as a grade 2 clerk while they were being trained for the position of technician grade 3, or something of that nature. They would be trained on the job as technicians. They would draw grade 2 pay until such time as they were qualified and they would then be paid at the rates applicable to the qualified position.

Q. While they are under training as a grade 2, do you expect them to get any allowance from the Department of Veterans Affairs?—A. No, sir, they would be working on the job for the government.

By the Chairman:

Q. I understand, Mr. Pearkes, there is no thought of tying it in with D.V.A. but simply adopting that principle in another branch of the service. Would you not run into this; if you took men in and paid them as grade 2 while they are training as technicians grade 3, they would be shutting out from that appointment some technician grade 3 and the government would be getting their services at less than the going rate while the qualified man might have to stand aside. Have you contemplated that aspect of it?—A. That is possible, but I feel that this can be a matter of rehabilitation of the lower salary group. I think what you suggest would apply very much in a highly technical job where an engineer or something of that nature might be concerned.

Q. You will certainly get protests from the qualified grade 3's.

By Mr. Pearkes:

Q. Two or three years ago the Department of Fisheries brought in ex-service men and trained them as fisheries' inspectors. Is that the type of thing you mean?—A. That is the type of thing.

Q. You simply recommend to the various departments that they extend that principle?—A. Exactly. I feel it is a very sound principle. There should be an opportunity to qualify or make a career of the civil service and gradually work to a higher position, rather than have the qualified men brought in from the outside.

Mr. PEARKES: Just the other day, during the estimates of the veterans' department, we had a statement they were doing that sort of thing. They were giving training to their employees.

The CHAIRMAN: Apparently all we are asked to do is to give our blessing to that system which has been commenced and suggest the extension of it.

The WITNESS: Exactly, sir.

The CHAIRMAN: All right.

The WITNESS: Suggestion No. 6 is that the principle of veterans' preference as laid down by parliament in the matter of civil service employment be strictly adhered to. We feel that the attempts to by-pass this principle are becoming too prevalent.

By the Chairman:

Q. What makes you say that?—A. May I finish the paragraph, sir?

We also feel, now that war-time conditions no longer exist, that the principle of veterans' preference should be incorporated in all government employment including boards, agencies and Crown companies. In this connection, this association would recommend that all recruitments to government employment be carried out through the Civil Service Commission.

In reply to your question, there has been, according to Hansard and press reports, thousands of cases of appointment to the public service by order in council. We feel that, while the intention may be sound, certain departmental heads may be representing to the government a policy whereby it is claimed temporary people brought in since 1940 cannot be replaced. They do not want to have those positions advertised. They want to bring in a qualified man. They appoint him by order in council. This is a very dangerous principle. We feel it is overcoming the veterans' preference, though, mind you, in some cases veterans have been appointed by order in council. I am not intimating for a moment that these orders in council were entirely non-veterans' orders in council, but it is getting away from the principle of veterans' preference. There have been a number of such cases and I am sure you gentlemen are familiar with them since they have been brought up in parliament. I do not like to indicate any particular cases, but I think you are familiar with them.

By Mr. Harris:

Q. You do not suggest that the veterans' preference has been avoided in cases where the appointment is by the Civil Service Commission?—A. No, sir.

Q. It is only in those appointments which are not now under the Civil Service Commission about which you are talking?—A. Yes, but there are cases which come under the Civil Service Commission and they are withdrawn from the Civil Service Commission and appointments made by order in council.

Q. How are they withdrawn from the Civil Service Commission?—A. The position becomes vacant. The Civil Service Commission asks the department to forward a recommendation that position be advertised and filled in the usual way. The department will refuse to open it up and appoint a person to the job under an order in council.

Q. I am curious about that.

Mr. Woods: Mr. Chairman, in reply to Mr. Harris, that is done through the powers in the Civil Service Act, enabling the commission to extend certain positions under certain conditions.

By Mr. Skey:

Q. Is this practice common to all departments in the government?—A. No, I would not like to say it was. These conditions arise. However, we do not become aware of an order in council unless we are looking for it very definitely. Sometimes it is very hard to find. In many cases, the order in council definitely states the position will not be advertised.

The CHAIRMAN: Well, the fact remains that the power is in the Act and any department may follow the same practice. Whether or not one department follows it to a greater extent than another is, possibly, not the point. They all have the facility for doing it. It is the principle about which you are talking since a specific instance, to be quite frank, is none of your business, but the principle is.

Mr. Woods: There is a good reason for that. Supposing we wanted to engage a very highly trained technician such as hospital engineer to look over our plants and our hospitals and make a recommendation to us. Suppose we wanted his services for three months. In order to avoid going through the somewhat ponderous procedure of setting up a position, advertising it and

holding a competition throughout the dominion, we get permission for that position to be exempted. It is that type of thing for which these powers are used.

MR. HARRIS: I have not any objection to that. I thought the witness was trying to say that the accepted position of civil service control is being by-passed.

MR. BROOKS: What I understood the witness was objecting to was the fact that the power which the deputy minister mentioned was being abused. There are these special cases in which the department should have this power, but the departments are using this power not only for those particular cases but for other cases.

THE WITNESS: Yes, that is right. I am thinking of long term jobs. In the particular case to which Mr. Woods referred, that power is very necessary but it is being used in other cases.

By Mr. Skeay:

Q. Permanent appointment?—A. Permanent appointment, where a position is a permanent appointment and it has been filled by the Civil Service Commission and has not been refilled.

By Mr. Matthews:

Q. I should like to ask the witness if there have been cases of resentment expressed by veterans who feel they have been by-passed?—A. Yes, we have cases. We have taken them up with the Civil Service Commission. They have told us they cannot do a thing about it. They have told us they have gone to the department, and they have gone to the various ministers, and that there is nothing they can do. They know the situation is there but they are powerless.

By Mr. Harris:

Q. If their consent is necessary in the situation why would that be so?

THE CHAIRMAN: There is a reasonable amount of buck passing in that sort of explanation.

By Mr. Blair:

Q. Are there men qualified to fill these positions without going outside?—A. I think so, sir, and at the same time there is no reason why they could not be advertised and go outside the same as they do for other advertised positions.

Q. Men already within the department?—A. That is when we get the resentment.

Q. You are sure you have men already within the department qualified to fill the positions?—A. Yes, sir.

THE CHAIRMAN: It does not make much difference whether you do it straightforwardly as it is done in the instance put forward by Mr. Woods under legislation, or whether you have the Civil Service Commission write the qualifications around the man you want, because there is nobody who has been down here for any length of time who is so stupid not to realize that is the way it is done.

MR. BRYCE: Could we get into this conversation? I should like to hear what is going on.

THE CHAIRMAN: I am sorry, Mr. Bryce. What I said a moment ago was that there is no point at issue. It is a recognized fact there is provision for doing that sort of thing to which the witness is objecting, and we have had the reasons given by the deputy minister why it is quite often probably necessary to do so, with which this witness has agreed. Then the witness goes on and suggests further this has been abused, and it is against the abuse they are protesting. I said in defence by way of interjection—and I am sorry you did

not hear it—that I thought perhaps it was more important to adopt a perfectly open system and select a man by that method for the job than to adopt the course which is sometimes followed of writing the specifications around the particular individual and then proceeding through the Civil Service Commission. The result is the same. You get the man you want; you do not get the man you do not want.

The WITNESS: Then we also mention in that paragraph 6 that boards, agencies and crown companies should come under the Civil Service Act. The point that has been made during wartime is that these positions have to be filled by the best men in a hurry. We feel that they should all be open to competition the same as civil service positions.

Mr. BROOKS: That is recommended by the Legion as well.

The CHAIRMAN: It was recommended by this committee in 1946, Mr. Brooks.

The WITNESS: I understood from Mr. MacKinnon when he was Minister of Trade and Commerce that he was in favour of this particular action being taken. He suggested he would put it forward, but we have heard nothing further on it. Then, No. 7:

We suggest that the age limit on appointments in the Civil Service be lifted in so far as ex-service personnel with Canada service only is concerned. This would allow such personnel consideration without affecting the provisions of veterans' preference. We suggest also that such appointees be given superannuation privileges along the lines extended to appointees coming into the service from provincial government employment.

There has been a great deal of resentment among service men who have not left Canada, and it is a tough problem. We feel we must support the principle of veterans preference as has been laid down by parliament, but we feel that in so far as Canada service men only are concerned they are being discriminated against because many of them have passed their 35th birthday during the time that they were in the armed forces of Canada, and they cannot qualify for appointment in the civil service. We feel something should be done towards that, and the fact they worked for the government, or were in the service of the government during the war should receive the same consideration towards superannuation as the government extends to employees coming in from provincial governments.

By Mr. Harris:

Q. What birthday did you say?—A. Thirty-five; a man over 35 in most positions is not eligible for a permanent appointment.

By the Chairman:

Q. Except veterans?—A. Except veterans. We would like to extend that to the Canada service only.

Q. What you are suggesting as the first breach is some measure of discrimination between the veteran with service in Canada only and the ordinary civilian?—A. Yes.

Q. Your proposal is we make that first concession on the age limit?—A. Exactly, sir.

By Mr. Harris:

Q. What superannuation privileges have you in mind in the last sentence?—A. A person coming in from a provincial government, a railway, or any organization that has a superannuation fund, may come into the government on payment

of the government's share and their share of the superannuation costs for the years they have been in the service of that government or organization. Then we have No. 8:

We ask that the Superannuation Act as it affects ex-service personnel with overseas preference be amended whereby the dominion government assume the government's share of superannuation contributions for the time served outside of Canada.

As you gentlemen are aware under the present set-up a man serving overseas may count his service time towards superannuation, but he must contribute his normal share plus the share that would have been put forward by the government during those years. We contend during the war years such personnel were employed on very vital work for the dominion government. I do not think there was anything more vital than the armed forces during the war years, and therefore they should be treated on the same basis as if they had been employed in the civil service in Canada. Harping back again to the temporaries who came into the civil service in the war years the government once they are made permanent contributes the government's share for those temporaries for the war years they have been working in the civil service. It does not seem to add up to us. We feel we did a mighty essential work, and that we should receive the same consideration.

Mr. HARRIS: Without arguing the case is it not a fact that a veteran who does not go into the civil service is a long way behind these men if we give them this?

Mr. LENNARD: I do not think so. I know of a great many private concerns that kept up their pensions.

Mr. HARRIS: That may be. I agree, but I refer to those veterans who did not benefit in that fashion. You are asking that the veteran who gets into the civil service should not only be given an advantageous superannuation scheme but that the government should pay the share of that for the period of the service?

The WITNESS: I think there are two points to remember in that. If the veteran had remained in the army then the government would have been contributing to an army pension for all these years. The second point is that the government should be a model employer and should lead the way in that type of reform for private business.

By Mr. Harris:

Q. Mr. Lennard has pointed out the case of the veteran who was employed by a firm and returned to it. In many cases they made up his pay, and so on.—A. The dominion government does that.

Q. But the veteran who came back to new employment or went into business for himself or perhaps had no business would feel that you were asking a good deal for the chap who got a civil service job.—A. You have to remember as to men going back into business that possibly tradesmen in the present labour market are receiving a great deal higher salaries than are paid in the civil service. I am not contending the salary question at the moment but a man in industry possibly is getting higher wages for an equivalent job. This equalizes the basis and brings him in line with the service of the temporary who served in the civil service in Canada and did not go overseas.

The CHAIRMAN: I think at this point I should point out this particular phase of what is being discussed is incorporated in the recommendations which were given to us by the Canadian Legion in their supplementary brief on matters not relevant to the legislation.

The WITNESS: I feel it is very fair.

By the Chairman:

Q. Is it fair to ask this question? In making this presentation do you ask that the government shall contribute for the period of time outside of Canada or do you alternatively ask the civil servant be allowed to make up his 6 per cent, or whatever the figure is, for the period of that service, and that he enjoy superannuation on that basis? Would you be satisfied if there was no contribution—A. That is the point, sir.

Q.—by the government during that period, that it simply be waived, and that his superannuation be adjusted accordingly?—A. We had not thought of going that far. That would make us very happy. What we had asked was that the government portion be waived.

Q. At that point that the government portion be waived, but that the benefits be paid as though it had been paid?—A. Exactly.

Q. There would be no downward adjustment or extension of the period in order to get the same superannuation?—A. Oh no.

By Mr. Harris:

Q. If I were opposed to this what argument could you advance to answer my previous question that you are asking for a good deal more than any other veteran is getting under our veterans legislation?—A. Well, the veterans in industry, as I pointed out, are making much higher wages than veterans coming into the civil service, or higher than the civil service generally. We have been penalized for a number of years, two years at least, under adverse wage scales until the government gave us an increase effective last October 1. Industry was making a great deal higher wages.

Q. That was your election when you decided to go into the civil service, was it not? You could have stayed out?

Mr. PEARKES: I object to a member continually carrying on a conversation without having the courtesy to stand up. We have always had the rule in this committee that when a member of the committee wants to speak he should stand up. Every other member does and if you observe it it would be awfully good for your figure.

Mr. QUELCH: We might recommend to Mr. Harris that he sit at the other end.

Mr. HARRIS: That is the reason I sat up here because I cannot hear down there.

The CHAIRMAN: I have to concur in part, at any rate, with what Mr. Pearkes has said. We have been a little lax in asking questions sometimes, but the practice of the committee has been for purposes of interrogation that a member should stand up. What anyone says is of interest to the committee, and as a matter of courtesy we should try to make sure that our most inconsequential remarks are heard by everyone.

The WITNESS: Your suggestion, sir, that we understood the salary conditions coming into the civil service is quite right, but you have to bear in mind also that if we were all to allow salary alone to be the consideration in coming in that you would be having a civil service that was not top notch. You want the best men available for the jobs at the salaries that are offered. Personally I think many salaries should be much higher, but that is a matter of different concern.

Mr. HARRIS: I think you would have complete agreement on that.

Mr. HERRIDGE: What was the remark Mr. Harris made?

The CHAIRMAN: We will have to ask Mr. Harris. I did not hear it.

Mr. LENNARD: It is not funny. Even I could not hear it across the table here.

By Mr. Brooks:

Q. I am a little confused about this. Is the witness saying that as to a man who served in the civil service and then enlisted and came back to the civil service that the government should pay the portion which they would have paid had he not served?—A. No, sir, that is not the question. The government do that already.

Q. Mr. Harris was speaking about a man who came into the civil service after he had served in the army?—A. That is right.

Q. You are asking that the four or five years he was in the army be taken on his superannuation, and that the government pay for those four or five years.—A. The government pay only for their portion of it. A man in the service was working for the government for those four years on very vital work, and if that man stays in the forces he gets an armed forces pension which the government certainly contributes to.

Q. But the government will allow the time that he served in the army on his superannuation if he pays his share?—A. If he pays his share plus the government's share. What we are objecting to is paying the government's share. We feel that has not been given sufficient consideration.

Q. I suppose one argument you would raise would be the low pay a man received in the army compared with the pay he would have received had he been in the civil service previous to that?—A. That is a debatable point.

Mr. FULTON: Just stop at the low pay he was receiving in the army.

The WITNESS: I feel we have a very reasonable contention there, and that for the morale of the veteran it would pay the government, and I also do not feel that veterans outside the service would object because it would be the government leading the way for other employers, and the government should be a model employer.

By Mr. Harris:

Q. I want to ask one more question. I will stand up for it. There were a number of fairly high priced people joined the civil service at the end of the war, people who were in middle age and whose salaries were fairly respectable. They were given this privilege of paying up to gain superannuation. I may be wrong, but it is my impression you are asking the government to pay a very considerable sum of money here. Have you made any computation of it?—A. Yes. In my own case, which is close to six years service, it will cost me \$950. They would pay half of that. What the government is offering us at the moment is exactly the same as they are offering to men who came in from the Canadian National Railways or men who came in from provincial governments. They are giving us exactly the same deal, and we certainly were doing very essential work for the dominion government during the war years.

Q. I will not argue that. You say you had six years service. Suppose we say that as to every veteran who was taken into the civil service after the end of the war the government's share, instead of \$450 as in your case, was \$175 or \$200. Would that be a fair average?—A. It would depend entirely on the percentage of salary. I could not give you an answer offhand.

By Mr. Fulton:

Q. As a matter of fact, is that not to some extent an erroneous assumption, because you are not asking the government to pay cash now into the fund. You are simply asking, as I understand it, when the time comes for the civil servant to retire, that superannuation be paid as though the government had paid in at this present time. Is that not correct?—A. Yes.

Q. You are not asking for a big cash outlay at the moment?—A. No.

The CHAIRMAN: Actually there is no cash outlay at the moment beyond this, that there are certain people who are already paying double, who are

paying their contribution plus interest. I have seen one case—this is the type of case referred to by Mr. Harris—where the man receives a high salary and his contribution is quite large, and where the backlog of interest for something over three years before he got in is almost as much as the government's share. The principle is accepted that by contribution the veteran can count his war service overseas towards his superannuation. The only point at issue between this organization and other civil service organizations, as I happen to know, and parliament is whether or not parliament should waive the government contribution. That is the nub of your request?

The WITNESS: Yes, sir.

Mr. FULTON: Let us get this thing absolutely straight. If you are defining the point at issue as it is going to appear on the record I fancy it should be put this way. The point at issue is whether the government shall waive payment by the veteran of the government's share.

The CHAIRMAN: That is what it amounts to, exactly. At the present moment he pays their share, and his, too, and his request is that he only pay his own share and that the rest be waived. That is what I was trying to make clear. I think we understand the point.

The WITNESS: Then, paragraph 9:

We ask that superannuation in the case of veterans will be calculated on the basis of their last five years salary in the civil service employ.

By the Chairman:

Q. What is it now?—A. The last ten years. Under the old Superannuation Act civil servants were allowed it on the last five year basis. It was raised to ten years. I understand that is the actuarial basis worked out by the superannuation committee.

By Mr. Fulton:

Q. What would the benefits of this change be to you?—A. It would allow veterans at the age of 60, let us say, to retire. At the moment a veteran receiving an appointment at 58, 59, 55, or 56, must continue to work for ten years before he can retire, or shall I say at 53 he has to work until he is 63 before he can get the full benefit of the superannuation on the basis of the last ten years. Naturally if a man has just received a promotion he is going to spend his ten years until he gets the maximum out of his salary. We have given that a great deal of consideration. On first glance it looks as though we are asking for something we are not entitled to, but I think you will agree from medical statistics and so forth supplied by the Department of Veterans Affairs that the life expectancy of a man who has seen overseas and combat service is considerably shortened.

Mr. EMMERSON: Is that true?

Mr. LENNARD: It is an understood fact.

The CHAIRMAN: It is accepted in law. It has never been demonstrated scientifically. We accept it in the War Veterans Allowance Act.

The WITNESS: We feel that instead of it being a voluntary basis at 60 and compulsory retirement at 65 that if this last five year clause was brought in in favour of the veteran it would mean that practically all veterans would retire at 60, and it would definitely mean that many veterans of the first great war presently employed, who are engaged on the last ten years, would more or less take immediate retirement and open up other positions for promotion, and so forth.

Then, No. 10:

We ask that for purposes of superannuation. World War I overseas service be extended from November 11, 1918, until the date of discharge

or a later fixed date to allow for demobilization. We would further suggest that special consideration be given to such veterans in calculating the amount of interest to be paid on superannuation contributions for World War I service.

Part of that question is extending it from November 11th. At the moment a veteran who was serving in France on November 11th and employed in the government, even though he was overseas until 1919, 1920 and in some cases 1921, is automatically cut off at November 11th. That policy was brought in many years ago during the time when veterans of the first world war were not given the privilege of counting war service towards superannuation. In fairness to these men I feel they should be given a reasonable period to allow them to return to Canada and be demobilized. The second thing is the government's demand for interest on the payments of superannuation for first world war service. That is nearly thirty years ago, and in many cases the veteran has to pay interest on the contributions he wishes to bring forward to give him the advantage of his first world war service. Now, when that is worked out it is absolutely absurd. It means that a man certainly cannot afford it. It cost in a case I saw worked out \$2,500 to get credit for three years' service.

Mr. QUELCH: What is the rate of interest?

The WITNESS: I believe it is 4 per cent.

Mr. BENTLEY: Simple interest?

The WITNESS: Compounded.

The CHAIRMAN: Four per cent simple interest.

The WITNESS: I stand corrected.

Mr. BRYCE: I can speak from my experience with the penitentiary guards who came back from the first war. I have taken up their case in the House, and some of them will be paying until they are eighty-five or ninety years of age, or until the day they die. That is the agreement of these men with the present government in Ottawa. I have never been able to get to the bottom of why a man when he pays a debt that he owes to the government—that he should not have paid, and the compound interest—he has got to keep on paying until the day he dies. I cannot understand it and I am not surprised that the civil servant does not understand it either.

The WITNESS: It has been worked out. As a matter of fact, the figures we have come from the Department of Veterans' Affairs. They have experts there. I believe the figures are quite accurate. The point is this: the veteran from the first war simply cannot afford to accept his war time for superannuation. Now, I feel that there should be something done to ease that burden on the first war veteran.

By Mr. Fulton:

Q. May I ask the witness for a little explanation on the first part of No. 10—a little additional information? Why was it necessary to make that request? What is the present ruling?—A. November 11, 1918, Armistice Day. We feel that any man who wishes to take advantage of that—particularly from the first war—should be allowed to count the further time he spent overseas after November 11 before he was brought home for demobilization. That is the principle used in the second war.

Q. Do we understand that after the first war, for a man drawing superannuation on November 12, 1918, the time spent overseas would count for superannuation if he paid up what he would have paid had he been in the civil service?—A. He was not given that privilege until the present Act was brought out in 1940. I believe—it was 1940 that the privilege was given.

The CHAIRMAN: By now that amounts to 125 per cent interest if they pay it up.

By Mr. Fulton:

Q. In 1940 he was given the privilege of paying what he would have paid while serving in the first world war into the superannuation fund and then counting his service in the first world war toward superannuation?—A. That is right.

Q. They charge him interest from 1915 to 1940?—A. 1947. Actually the legislation was passed last year.

Q. Your request that the date be extended from after November 11, 1918 would not help him?—A. It would give him one year more service. If he was held overseas until 1919 or 1920 he would be allowed to count one year or more service towards superannuation. At the present time he can only count at the end of the war, but if he was serving in Germany a further year before being brought home he should be allowed to count that towards superannuation on the same basis as the man in the second war is allowed to count it up to March, 1946.

The CHAIRMAN: The point is, however, that the concession made in 1947 is of no value since a man cannot afford to pay it—he would owe more; and apart from regularizing the legislation his position would be no better.

The WITNESS: No, it is a matter of principle on that point, and I think special consideration should be given toward superannuation contributions of the first war.

The CHAIRMAN: As you point out, he paid double for a period of his service, 12 per cent simple interest from then until now, and your suggestion is that should count not the time from his enlistment to Armistice but from the time of his enlistment until he was discharged before the war officially ended?

The WITNESS: Exactly, on the same basis as in World War II.

By Mr. Fulton:

Q. Hypothetically, could you give us an illustration of what it is you are trying to do?—A. We have a man in the civil service who served in the occupation forces of Germany until 1920. He was in the lines on November 11, 1918. He was a little over a year overseas. He comes back and joins the civil service in 1925. From 1925 to the present time he is a civil servant. Now, he can up to the present time count first war service from the time he went overseas until November 11, but actually he was overseas an additional year when that principle is carried out under your legislation allowing for World War II. Now, we feel that some consideration should be given.

Mr. CROLL: He was not in the civil service at the time.

The CHAIRMAN: No, but he still has the right.

The WITNESS: The men in World War II were not in the service either, but they are still allowed the additional—

Mr. PEARKES: We had a cut-off date for other legislation the other day. We were discussing those men who had been employed in the Imperial war graves battalion and there was a cut-off date. I have forgotten what it was. I am sure the deputy minister could tell us something about that.

Mr. WOODS: It was August, 1920.

Mr. PEARKES: Would that sort of thing apply in this case?

Mr. WOODS: Perhaps it would be more equitable to the date of their discharge. As one of the beneficiaries under this legislation I can explain it for Mr. Fulton's benefit. When this bill passed last year I received notification: You having served in World War I have the privilege if you now wish to make contributions to the service, provided that you contribute double what you would ordinarily have done and also provided you pay 4 per cent interest on the

moneys would not pay. Your service will count from August 4, 1914, until November 11, 1918. As the witness points out, many of us did not get home until much later than November 11.

Mr. SKEY: May I ask the deputy minister a question? Have any of these veterans actually paid up these amounts for first war service?

Mr. Woods: They are given the option to pay the amount in cash, and if they wish it can be spread over the balance of their service until the date of retirement, age 65. They spread the payments over until the date of retirement.

Mr. SKEY: Advantage has been taken of that regulation in some cases?

Mr. Woods: Oh, yes.

Mr. SKEY: So what the representative of the Civil Service Veterans' Association is asking is a perfectly reasonable request; that the whole service count and not just a portion of it.

The CHAIRMAN: It comes back to the point Mr. Pearkes raised the other day with respect to another Act. The important detail that has not been tied up—or has been tied up unfairly, as the witness suggests—is that we have taken an arbitrary date which was the end of the fighting but which was not the end of the war for all kinds of fellows, and if they are going to take advantage of what was their service they are being denied up to a year by that arbitrary date; and the suggestion is that the date be changed and that the soldier be allowed to pay for the time he served.

Mr. BENTLEY: Mr. Woods said some of them have not the cash to pay and are allowed deductions from their salaries up until the time of retirement. Is it not a fact that some of them have a balance and their monthly payments are deducted?

Mr. Woods: I think they are given the option of either paying up in cash or by monthly payments added to the superannuation contribution until they are sixty-five, which is the date of retirement.

Mr. BENTLEY: Even after that, if there is still an unpaid balance they still are required to pay it, are they not?

Mr. Woods: Yes. One member this afternoon spoke about several penitentiary guards paying for the rest of their lives.

Mr. FULTON: I would like to get the views of the witness on this. If we are going to do this it would amount to our saying that we have delayed extending to these veterans something which in justice they should have had much earlier. Would it not be fair to cover with our recommendation an additional recommendation that interest be charged only from whatever date the privilege is extended up until the time they joined the civil service and not from the date which is fixed until the present; because what we are doing is giving them justice and at the same time penalizing them because justice has been delayed. I suggest if we extend this recognition to them that we should not penalize them because of the fact that parliament has not extended justice earlier; they should only be required to pay interest up until the time they join the civil service.

The CHAIRMAN: Well, Mr. Fulton, it is competent for the committee to see that any recommendation that the committee make may involve that or any other principle. However, I think in view of the time we had better allow Mr. Hope to complete his presentation, and I will suggest to the committee a possible way of dealing with the matter.

The WITNESS: No. 11:

We ask that ways and means be considered whereby older veterans who have given satisfactory service for a number of years in civil service employment, but because of their age and length of time away from school are unable to pass the standard civil service written examinations may be confirmed in their positions.

Now, possibly that is a problem with which Mr. Woods is more familiar. I have discussed it on a number of occasions with Harold Philpott who is a special D.V.A. officer in charge of older veterans. We have found that we have men of the first world war who in this war came into the civil service and they were able to do the job they do satisfactorily. I am thinking principally of men in the lower salary ranges. But when they go to write a grade II examination they just cannot do it. They have been out of school too long and their minds possibly are too slow on the uptake as far as this new type of mental examination is concerned. It is the type of I.Q. which is used in the service and these men do not make the grade. Yet they are doing their jobs satisfactorily and they did it during the war and I feel there should be some consideration given to the older veteran.

By Mr. Brooks:

Q. Does the examination relate to their job?—A. It is a general examination. It is an oral examination on the job, something of that nature.

Mr. WOODS: It is true that the older veteran finds that he is not abreast with modern learning, and the average elderly veteran of World War I can be tied up with academic questions which are taken from, perhaps, grade X or grade XII in any high school today, because he is simply not abreast, and the syllabus of training was different when he went to school.

Mr. BROOKS: Still, he could perform his duties if he were promoted whether he could pass the examination or not.

Mr. LENNARD: I do not think it is a question of promotion; it is a question of qualifying for a permanent appointment.

The WITNESS: That is right, sir.

Hon. Mr. GREGG: Would there be many such civil servants?

The WITNESS: I doubt that there would be a vast number, but there is a considerable number.

Mr. PEARKES: I have the case of four letter carriers who could not pass the examination, but apparently they were delivering their letters satisfactorily because people were receiving their letters and spoke of how well they were receiving them.

The CHAIRMAN: I know the case of a man who had ten years' experience as a grade IV clerk who performed his duties satisfactorily in two departments, but by virtue of the fact that he wrote some sort of examination—instead of asking his high school board to do it for him—is likely to be retired from the service, and yet he is examined by people who have been, during a large number of his ten-year service, junior to him in the service.

Mr. BROOKS: The same principle would apply to men who are non-service men too?

The CHAIRMAN: Yes. I am afraid it would have to.

The WITNESS: No. 12:

We ask that a representative of the Dominion Civil Service War Veterans' Association or a special representative from the Department of Veterans' Affairs, who is familiar with civil service conditions and problems, sit on all examination and review boards.

Now, we feel that there should be a veterans' representative sitting on all examination boards to protect the privileges of the veterans.

By the Chairman:

Q. Does not a representative of the Canadian Legion attend all these boards now?—A. He has the privilege of attending, sir.

Q. Are you suggesting they do not invariably avail themselves of that privilege?—A. No, they do not always. I have been on some boards where they have sat in and others where they have not. We are casting no reflection on the Canadian Legion. We must remember that the Canadian Legion is a large organization of which, I understand, only about one-half of one per cent of the members are civil servants. They are a nation-wide organization of all veterans. Now, their interest in the civil service naturally is in proportion to the membership. They do mighty good work. There is absolutely no reflection being cast on them. We feel that the Civil Service Commission should have a representative of a veterans' organization who would know the problems or, as an alternative to that, a special representative be appointed from the D.V.A. whose duty would be to have a watching brief on all veterans' affairs. I am suggesting now a position similar to that held by Colonel Philpott in the older veterans division. I think there should be a definite representative specializing in civil service work sitting on all boards.

In the thirteenth request, we ask that the dominion government arrange for the representation of the Dominion Civil Service War Veterans' Association on the national joint council to assure proper consideration of the veterans' interest in the civil service. Now, the joint council, as you are aware is the employer-employee organization. I believe the government has an equal number of representatives with the other economic associations. We made some tentative approaches and we have not made the grade. The point is that non-veteran organizations are opposed to our sitting on the board. They feel there is no need for a veterans organization. I entirely disagree with them and I hope you do, too. We are representing approximately 8,000 veterans who are paid members of our organization. We have a greater membership than the Amalgamated, for instance, and several other organizations which have members on the board. We feel we should have a representative on that government joint council, too, to ensure that the veterans' interests are protected there.

That, gentlemen, I believe, completes this brief.

By Mr. Pearkes:

Q. These members you have mentioned do not include the Provincial Civil Service?—A. No, sir, outside of the civil service we do include dominion government employees in Crown companies, National Research and that sort of thing. They are definitely employees of the dominion government.

Hon. Mr. GREGG: Just in connection with point 12, before you leave it; one person either from your association or one man from the department would not be able to do that because those members sit at various centres all across Canada. Are you referring to Ottawa only?

The WITNESS: I was thinking of Ottawa. That is a problem which would have to be ironed out. Actually, it is not that I am trying to put forward this organization. Personally, I think a special representative of the D.V.A. would be the answer. Such a man would be in a position such as that held by Colonel Philpott, whom I mentioned before. We certainly are not trying to grab any laurels for ourselves. We are satisfied with any action which will help the veterans.

Mr. WOODS: The minister's point was that local examinations may be taking place concurrently in Vancouver, Winnipeg and Halifax and it would be impossible for one of our officers to cover the field.

The WITNESS: Yes, but you could arrange for a representative through your various branches.

The CHAIRMAN: I think there are two methods of dealing with the mass of information we have collected this morning and this afternoon. The committee, itself, I think should decide as to how we should deal with it. My own inclination would be expressed by suggesting to the committee that we might

very well appoint a subcommittee of this committee to draft a brief report to the main committee with respect to this brief. The other method, of course, is to deal with it as we dealt with the other representations and as we will have to deal with other representations and that is, to hear the evidence and go into camera and hammer out our report in the committee of the whole. It has been the practice in the past to conclude the discussion which leads to a resolution of this nature in camera. I assume the committee would continue that precedent.

On the other hand, the secretary tells me he has been able to make arrangements for a meeting on Thursday and Tuesday next in accordance with what I suggested this morning. It might be, as we go along with these hearings, that a series of subcommittees could do the work and the main committee could deal with the resolutions which arise out of the hearings, finally, in a couple of meetings. What is your feeling in the matter?

I suggest if you vote for the committee idea, we retain the idea of small committees. I would suggest, perhaps, a committee of four to deal with it. However, I am in the hands of the committee. I have no desire to impose my view on the committee. I think it is necessary to give the matter some consideration. We must resolve something, if we only resolve to do nothing. It is a matter of decision. I am not suggesting we should resolve to do nothing but, under the circumstances, we cannot just let the matter drop without some resolution.

MR. BAKER: I believe it would be more advantageous and less time would be wasted if the whole committee looked after this thing. If subcommittees are appointed, then it is possible there will be a lot of discussion on those reports.

MR. FULTON: I second Mr. Baker's motion.

The CHAIRMAN: All right; if there is no further discussion on that, I am certainly not prepared to urge the alternative. I imagine sitting down there I usually took that point of view, myself.

What is the wish of the committee with respect to this? Are you prepared to consider the matter now?

MR. LENNARD: I think the advantage of having the whole committee deal with this is that we will have it dealt with in camera, I presume, and it will be settled. If you appoint a subcommittee, they never meet.

Hon. Mr. GREGG: May I suggest the committee should get, perhaps, the point of view of both the Civil Service Commission and the Superannuation Board in connection with this matter?

MR. SKEY: Are you going to have any witness from the Civil Service Commission?

The CHAIRMAN: I am completely in the hands of the committee. If the committee desires to hear a representative of the Civil Service Commission or the Superannuation Board present the views of those bodies with respect to this matter, we shall call them on instructions from the committee. I was going to suggest, if that is the wish of the committee, it will mean another sitting. Beginning tomorrow, the House will be sitting three times a day. For two weeks, our sittings are pretty well occupied with people coming in. I think we could defer our decision on this matter and all these representations until we have held all our hearings.

MR. LENNARD: I do not see how you could hear from the Civil Service Commission or any other interested body until today's proceedings are in printed form. No body could form any brief or any conclusion because they would not know what happened here this afternoon.

MR. HARRIS: I said a while ago I was unhappy about this business from the very beginning and I still am. I am expressing my own view. I think we would be doing things we should not do if we asked the Civil Service Commission or anybody on behalf of that organization, to come here and give answers to

these propositions. These are the proposals advanced on behalf of certain groups of civil servants and, in a sense, they are attempting through this committee to obtain something through their association and, ultimately, through the commission and its rules. While it is proper that we should try to protect the interests of the veterans, I think we ought to consider seriously whether we should ask anyone to come here and explain why he has ruled this way with respect to veterans. There is a proper way of doing it and probably that way could be found. I would not jump to a decision to call up the Civil Service tomorrow and ask them to come over here and go through this brief item by item.

Mr. QUELCH: What is your suggestion.

Mr. HARRIS: I am not sure what my suggestion is, but that is one I would not adopt. I say that frankly. I do not know whether the subcommittee idea is the answer. It might be told to address itself in private to the Civil Service Commission and bring us some information which could be accepted as authentic information.

Mr. QUELCH: Would you call the minister instead?

Mr. HARRIS: I might call the minister and have him answer it if he so desired. It is better than having the Civil Service Commission.

Mr. CROLL: You would get just as few answers.

Mr. HARRIS: That may be, but unless we wish to bring down a lot of trouble on our heads we should avoid calling the Civil Service Commission. They are carrying out the laws which we make.

Mr. CROLL: What is the difference?

Mr. HARRIS: The deputy minister is fully capable of explaining the reasons for doing these things.

Mr. CROLL: When you say they carry out the laws which we pass, that is right. What I am concerned with is the regulations and interpretations which they make suddenly and without notice. It is for that reason I should like to hear them. If the deputy minister will tell us the reason, perhaps that is all right.

Mr. HARRIS: You are, perhaps, overlooking the point which was stated earlier. This is not veterans' legislation as such. It does not come within our terms of reference concerning veterans' legislation. We are getting outside the interest of veterans. Since we are interested in the advancement of veterans we should take a proper course to secure the advancement of veterans' interests. If the deputy minister were able to explain the veterans' complaint which has been made and whether we, through the Minister of Veterans' Affairs could improve the situation, then we could make our recommendations accordingly. I doubt if we should go further than that.

Hon. Mr. GREGG: It was for that reason I addressed the committee a few minutes ago. I assumed the committee would wish to study that carefully and, perhaps, bring in some report based, perhaps, on what my deputy minister may say. Now, I would not like such a report based on that alone, without the members of this committee having an opportunity of asking a representative of the department concerned any questions they desired. That is all I had in mind.

The CHAIRMAN: I think I should point out to the committee with respect to these matters we are definitely limited. We have heard representations today and if we accept them in toto, all we can do is say—we do not report to the Minister of Veterans' Affairs with respect to this, we report to the body which created us, the parliament of Canada. All we can say is that we have heard certain representations and, in our opinion, the proper authorities should consider the possibility of doing so and so or refraining from doing so and so.

We are not, I submit, in a position of picking up a particular section of an act and saying, "You should amend this". I do not think we have that power. We have the privilege, having been created by parliament as the forum to which veterans could come with complaints touching on their legislation—a section of this Act does touch the veterans and, in that respect is veterans legislation—of inviting these people to a hearing. Any witness which the committee called could only be called to furnish the committee with specific information in answer to questions. He certainly could not be asked to present a brief against another brief. Such a course would be absurd and a little beyond our powers.

Mr. HERRIDGE: I do not quite agree with Mr. Harris in that respect. We have had representations from this gentleman this afternoon. How are we to judge whether those proposals are sound or possible? How are we to know the other side of the picture without having someone come and explain it to us?

I will give you a personal experience which shows how these things can happen. Some years ago, the dominion government had a clause in all construction contracts that contractors had to have 10 per cent of veterans employed. I went on one job and there was not a single veteran on the job. It was when I was secretary of the Legion and was interested in that sort of thing. I could not understand it. I went to the district engineer and I found out the contractor had been paid. He had to sign a form which was supplied from the Civil Service Commission in which he had to certify that 10 per cent of the men on the job were veterans. It was quite true. There were ten men employed on the job and one was a former member of the Prussian Guards.

Mr. FULTON: Mr. Chairman, I cannot see how Mr. Herridge's illustration applies. We are not asked to prepare legislation. If we were drafting a bill or going to draft a bill which we ourselves were going to recommend, then Mr. Chairman I suggest we must hear the minister and all the officials to find out whether this is advisable. All we are here to do is to recommend, to say that in our view we think this and that general provision is indicated.

Mr. CHAIRMAN: That is it.

Mr. FULTON: We then make our report to parliament and it is before the House, and also before the government; and then I think it is up to the government either to adopt it and to give effect to it by introducing necessary legislation; or, if they do not wish to do that, then tell us why they are not doing it. There is no necessity to establish that for this or that reason it is not advisable. I do not think it is for us to anticipate the administration of matters of this kind at this stage. I think we only have to consider the general question as to whether or not it is something which should be done in the interest of the veteran, and if we think it should be done we should recommend accordingly.

The CHAIRMAN: What we are doing is saying that certain suggestions have been laid before us, and that also suggestions Nos. 1, 5, 7 and 12 merit further investigation by the appropriate authorities. I think that is about as far as as we have power to go.

Mr. CROLL: Mr. Chairman, the more I listen to this argument the more confusing it seems to get to me—I do not see how I could possibly decide by using the best judgment on any one of these various suggestions. Now, assuming that we accept these recommendations as being helpful here, I do not know whether there is a valid argument for one, or two or three or four or five—certainly before I recommend anything to the House I want to know what it is, and I think that we as a committee will want to know what it is too. We have always been very careful in our recommendations, and our recommendations in the main have been accepted, because I think in the main they have been common sense. We have now had a lot of argument about this, and

I do not think the committee would be prepared to deal with any part of this until they have heard from the departmental officers. I do not think we should make a recommendation on this at the moment saying, you should do this, or you should do that. It is a matter of record that our performance in the past has been an excellent one, and I think we ought to keep it so.

The CHAIRMAN: I do not see any conflict between the position taken by Mr. Fulton and the position taken by Mr. Croll. For once I find myself in agreement with both of them. I think the earlier suggestion made to the committee by Mr. Baker and agreed to by the others is really good. We have made commitments to hear certain parties. We heard one of them today. Then there is the suggestion someone made a moment ago that when we have concluded our hearings we will deliberate in camera as to whether or not we are in a position to report on them this session, or at any time as far as that is concerned. If the committee, any committee, in the course of its investigations are unable to agree with respect to the recommendations of this particular brief, or any other brief for that matter, we are then in a position to call other witnesses to give us pertinent information. It may be, as Mr. Croll says, that we shall not be able to resolve all the problems which would be brought to us by any number of different bodies. We have agreed to hear three. I think if we stick to the basic schedule and hear these briefs, the committee in camera can then discuss the thing and decide whether or not we have sufficient information to make a recommendation. I think we would be getting ahead further that way than in any other way. Otherwise we will be spending all our time on one brief and the others will be neglected. Would that suggestion meet with the approval of the committee?

Some Hon. MEMBERS: Carried.

The CHAIRMAN: Then the committee stands adjourned until Thursday next at 11 o'clock in the morning when the witnesses will be the student veterans, the R.A.F. Ferry Command and the Red Cross.

The committee adjourned to meet again Thursday morning, June 10, 1948, at 11 a.m.

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Canada. Veterans Affairs, Special Committee

SESSION 1947-1948
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 24

THURSDAY, JUNE 10, 1948

WITNESSES:

Mr. W. S. Woods, Deputy Minister, and Mr. G. H. Parliament, Director
General of Rehabilitation, Department of Veterans Affairs;
Mr. J. L. Melville, Chairman, Canadian Pension Commission;
Miss E. M. Roberts and Miss Annette Beauchamp, The Overseas Club;
Mr. J. M. Pierce, R.A.F. Ferry Command;
Mr. D. M. McVie, President, and Mr. A. Jordan, Vice-President, National
Council of Student Veterans Canada.

OTTAWA
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1948



REPORT TO THE HOUSE

THURSDAY, June 10, 1948.

The Special Committee on Veterans Affairs begs leave to present the following as a

SIXTH REPORT

Your Committee has considered the following Bills and has agreed to report them with amendments:

Bill No. 60, (Letter G. of the Senate), an Act to amend the Veterans Insurance Act;

Bill No. 196, an Act to amend The War Veterans' Allowance Act;

Bill No. 200, An Act to amend The Veterans Rehabilitation Act.

A reprint of Bill No. 196, as amended, has been ordered.

All of which is respectfully submitted.

L. A. MUTCH,
Chairman.

MINUTES OF PROCEEDINGS

THURSDAY, June 10, 1948.

The Special Committee on Veterans Affairs met at 11.30 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Brooks, Bryce, Croll, Dickey, Emmerson, Fulton, Gauthier (*Portneuf*), Gregg, Herridge, Jutras, Langlois, Lennard, Matthews, Moore, Mutch, Pearkes, Quelch, Skey, Timmins, White (*Hastings-Peterborough*), Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs; Miss E. M. Roberts and Miss Annette Beauchamp, representing The Overseas Club, Red Cross Corps; Mr. J. M. Pierce, representing ex-members R.A.F. Ferry Command; Mr. D. M. McVie, President, and Mr. A. Jordan, Vice-President, National Council of Student Veterans Canada.

Miss Roberts was called, presented a brief on behalf of former members of the Red Cross Corps, and was questioned thereon.

Miss Beauchamp was called and questioned.

The witness retired.

Mr. Pierce was called, presented a brief on behalf of former members of the R.A.F. Ferry Command, was questioned thereon, and retired.

Mr. McVie was called, presented a brief on behalf of the National Council of Student Veterans Canada, and was questioned thereon.

At 1.00 o'clock p.m. the Committee adjourned until 3.15 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 3.15 o'clock p.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Benidickson, Brooks, Bryce, Croll, Dickey, Dion, Emmerson, Fulton, Gauthier (*Portneuf*), Harris (*Grey-Bruce*), Herridge, Lennard, MacNaught, Matthews, Moore, Mutch, Pearkes, Quelch, Timmins, White (*Hastings-Peterborough*), Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister, and Mr. G. H. Parliament, Director General of Rehabilitation, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Messrs. McVie, Jordan and Pierce.

Examination of Mr. McVie was continued.

Mr. Parliament was recalled and questioned.

Mr. Jordan was called and questioned.

The witnesses retired.

Messrs. Melville and Pierce were recalled, questioned and retired.

At 4.00 o'clock p.m. the Committee adjourned until 11.30 o'clock a.m. on Tuesday, June 15.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
June 10, 1948.

The Special Committee on Veterans Affairs met this day at 11.30 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: This morning, as indicated at our last meeting, we are to hear representations from three different groups who have applied to present their cases before the committee. The first group that we will hear will be the Red Cross nurses. I think that is the right name. It is personnel of the Red Cross, at any rate, who served overseas. The presentation to the committee will be made by Miss Roberts.

E. Marguerite Roberts, President, The Overseas Club, Canadian Red Cross Corps, called:

The WITNESS: Mr. Chairman and gentlemen: You have before you a copy of our brief, and I will read it.

You will recall that during the last two sessions of parliament, the question has come before the House regarding the eligibility of personnel of the Canadian Red Cross Corps and St. John Ambulance Brigade, who served overseas, for gratuities, educational benefits, pensions, etc. As a result of recommendations made on their behalf by the Special Committee on Veterans Affairs, the government saw fit to include them for pensions only, and this was enacted as "10 George VI, Chapter 43" and assented to on August 31, 1946. It might be noted in this regard that the number of claims for pensions will be so few as to be practically negligible.

This brief is addressed to you in order to set forth our views in the matter of gratuities, re-establishment credits, etc., and to petition your support in the passing of legislation to provide for us exactly the same gratuities and benefits as were set up for the women of the armed forces upon their discharge. In order to better enlighten you, it is felt that a short outline of the history of the Canadian Red Cross Corps will be of value.

The Canadian Red Cross Corps was formed in September, 1940, many months prior to any hint of women being enlisted into the army, air force or navy. From the time of its inception detachments were formed all across the dominion and, in all, over 18,000 girls joined its ranks. These girls were all attested into the service of the Red Cross. There were certain requirements for admission, such as age, character and ability to give voluntary time.

The Corps was established after a military pattern and each unit had a commanding officer, its complement of officers, non-commissioned officers and privates. Discipline was established and enforced to an astounding degree within the limits of a volunteer organization. To make the work of the Corps more efficient, it was divided into four sections, namely, transport, nursing service, office administration and food administration. The duties within each section were limitless in scope, but we wish to stress that each girl was ever willing to carry her full share of

voluntary work, doing whatever was asked of her. The Canadian Red Cross Society has acknowledged the fact that without this willingness and devotion to duty on the part of the Corps a very large part of its splendid war program would have been impossible.

each girl to do a minimum of 250 hours voluntary work within each twelve-month period. This time was over and above her regular daily

To continue to be members in good standing it was necessary for job, and in the majority of cases the girls ran up considerably more than the 250 hours, often as much as 400 and 500 hours within the year.

I might say here, no expenses were paid by any one. Every girl paid for her uniform and paid all her own expenses.

This work in Canada was done zealously and when the three women's services were formed, a substantial number of Red Cross girls were amongst the first to join up. A great many of the remainder were kept from doing so only by the fact that they were afraid to give up their employment because of the uncertainty of the future. However, as the war progressed and it became evident that the Canadian Red Cross required more help overseas, the girls then gave up their security and even used their savings in order to fulfil what they felt to be this greater need. The first Red Cross girls left Canada for England in January, 1943 and, in all, 641 girls saw service overseas.

While it is true that we, Red Cross girls, went overseas on a voluntary basis, the same holds true of all Canadian women's services since no personnel was drafted into the C.W.A.C., the R.C.A.F., or the W.R.C.N.S. We volunteers in the Canadian Red Cross Corps served the cause of Red Cross, an organ of the people, and so we served the people; the volunteers in the women's sections of the armed forces served the government, and the government is the people. In view of this, why should we not all share alike?

When we were accepted for service overseas, each girl was given the amount of \$200 by the Red Cross Society for the purpose of buying her uniforms and other necessities, but the cost of our required equipment totalled considerably more than this amount. The society paid our transportation both ways, and dating from the time we left Canada we were paid \$5 per week, or \$260 per year. We might point out, too, that we were informed overseas that this 'income' was deemed taxable, while moneys paid to the armed forces while abroad were exempted from income tax. Girls who were billeted where there was no heat had to spend up to eight shillings, or approximately \$1.75 per week, of this weekly \$5 in order to keep reasonably warm. The armed forces were able to travel at half rate, travel warrants being issued for their regular leaves, while we, Red Cross girls, had to pay full fares always. We mention this only to emphasize that the \$5 per week given us did not by any means cover our necessary expenses.

Our girls saw service in all the theatres of operation in which the Canadian army participated. We had girls at Canadian Red Cross headquarters in London; we had girls in the four Red Cross leave clubs in London doing general duties and as cooks; we had girls at other service clubs; we had girls attached to the Canadian general hospitals as welfare workers and handicraft workers; we had girls attached to the British Red Cross as drivers of ambulances, lorries, etc.; also, our girls went into British civilian hospitals as V.A.D.'s.

Of the girls who worked in London suffice it to say that they carried on through the aerial bombing of 1943 and 1944, the buzz-bomb period and the period of the V-2 bombs. Of the girls who were attached to

Canadian hospitals, we would point out that they were on the establishment of the unit and were subject to the jurisdiction of the commanding officer and the matron just as much as any of the nursing sisters, and had to conform to all military rules. These girls saw duty in the thick of the fighting in Sicily, Italy, France, Holland and Germany, and their duties included everything in a casualty clearing station or field hospital except the actual bedside or surgical nursing. We would also point out that four of our Red Cross girls were shipwrecked while en route to North Africa with No. 14 Canadian General Hospital in the fall of 1943. Of the girls who drove trucks and ambulances, we stress that their work was carried on under all degrees of danger both in England and on the continent, and in all instances their courage and endurance have been very highly commended.

There has been an erroneous impression in the minds of many that we, of the Canadian Red Cross Corps, were financially independent, but this is very much a fallacy. A considerable number of the women's services were well-to-do, but the question is not one of being financially independent, but rather that of entitlement to privileges based on services rendered and the conditions under which these services were fulfilled. At least 90 per cent of our numbers gave up positions at home in order to serve abroad and have been forced to re-establish themselves again in jobs without any assistance from the Department of Veterans Affairs or civil service preferences, which held good for other ex-service personnel.

We have here two comparisons to make. Consider two girls, one, while doing a full time job in Canada during the war years, offered herself for training in the Canadian Red Cross Corps and pledged to do a minimum of 250 hours voluntary work each year in her off-time. She did this month after month and, then, she proceeded overseas to do whatever was asked of her there to help, using her savings, and returned home to find herself another job and start all over. The second girl left her job to join the army and right from the day of her attestation she received pay, which in many cases was more than she had earned at her peacetime employment. She went overseas, but returned home having managed to save some money, had gratuities paid her, claimed re-establishment benefits, had vocational training, and veteran's preference when seeking employment, as well as the Department of Veterans Affairs to help her.

Our second comparison is that of a Red Cross girl torpedoed in the Mediterranean, while en route to duty in North Africa. In contrast to her is the R.C.A.F. (W.D.) posted to duty in the north of England whose only experience of danger was the sound of an air raid warning while she was on leave in London.

These illustrations will serve to stress the fact that while not participating in any of the benefits, we actually experienced all the hardships and dangers of active service. We would ask your consideration of these two comparisons of "ex-service" women.

It should be pointed out that we, Red Cross girls, were fully aware that we were civilians and were promised nothing. We, also, wish to stress the fact that originally we did not seek any special benefits. But, now, that other civilian groups, such as the Canadian Firefighters and the Merchant Navy, have been granted these gratuities, etc., we contend that we are entitled to the same consideration and would ask that you do anything within your power to further our cause.

We are aware that representation was made on our behalf, but without our knowledge, to the Special Committee on Veterans Affairs, on July 15, 1946, by Major-General B. W. Browne, M.B.E., D.S.O., M.C., Assistant National Commissioner, Canadian Red Cross Society, and Mr.

Norman S. Caudwell, K.C., Chairman, Canadian Red Cross Corps Committee. The actual presentation of our case was made by Mr. Caudwell and in his capacity of Chairman of the Corps Committee it is beyond our comprehension how he could have been so misinformed as to make the incorrect statements concerning us, which he did at that time. We feel that the only way to correct this regrettable occurrence is to set forth the true facts as follows:

Mr. Caudwell stated:

I think there is a general impression that most of these girls came from well-to-do families . . . Perhaps that was true in the first instance in the first year, but it was not afterwards.

The truth is:

Of the first draft of 18 girls to go overseas, 15 gave up positions in which they earned their living. This ratio carried through the entire three years.

Mr. Caudwell stated:

They served as voluntary workers but for pin money they received while overseas from the Canadian Red Cross \$30 a month—

The truth is:

Actually, we received 25 shillings a week, approximately \$5, or \$260 a year. \$30 a month would have been \$360 a year.

Mr. Caudwell stated:

On discharge they received \$150 allowance to buy civilian clothing.

The truth is:

Not one of our number received such an amount. Actually, each girl was given thirty days leave with pay on her return to Canada, and that is all.

Mr. Caudwell stated:

. . . so it was not until 1942 that they went over on the request of the British government. Some went over in the first place to the British Red Cross and became ambulance drivers, and in the following year, those girls got over safely.

The truth is:

Our understanding of our going overseas is this: the work of the Canadian Red Cross was very much hampered in England by the increasing difficulty in obtaining adequate help. Finally, late in 1942, the Canadian government agreed to give exit permits to personnel of the Canadian Red Cross Corps to proceed overseas. The first girls went over entirely to work at Canadian Red Cross headquarters and leave clubs in London. This was to increase the scope of the Canadian Society's work in England. This continued until June, 1943, when the first welfare workers went over to go on to North Africa with Canadian hospitals. It was not until April, 1944, that the first request was received for drivers and V.A.D.'s for the British Red Cross.

This brief was prepared in March, 1947, and there are a few additions which I would like to make.

This brief outlines how we came into being and what our function was and what we asked in the way of war service benefits.

I believe the personnel of this present committee is substantially the same as of the former committee which received the presentation on our behalf on July 15, 1946, from Mr. N. S. Caudwell, and the late Major-General Browne. In all fairness to everyone, it should be mentioned here that when General Pearkes made his subsequent recommendation on our behalf to the House of Commons

on August 8, 1946, he made the correction in the statement of Mr. Caudwell that we had received a payment of \$150 on discharge which of course we did not receive.

We, who actually are affected by this petition, feel we ought to have been present in July, 1946, when the Red Cross officials appeared before you. However, now two years later we are pleased to have this opportunity to present our case in person.

Truly, the government has amended the Pension Act to include ourselves, but upon reference to 10 George VI, Chap. 43, Part IX, Para. 54 it will be noted that Rx personnel are eligible only when the injury was caused by enemy action or counter-action. As a result of this only one of our number has been successful in her claim for pension. So, in this instance, we feel the government's legislation will have few claims upon it.

We would like to point, here, that in the matter of awards, the Canadian government has not considered us as eligible for any Canadian award. However, we are entitled to all the awards on British Empire campaign.

Our girls who served in the Canadian hospitals—they served in 17 C.M. hospitals at the request of the D.M.S. at C.M.H.Q.—we repeat again, were under the same jurisdiction as the nursing sisters and other R.C.A.M.C. staff. They were confined to barracks with the units, they were paid by the unit paymaster—but here again they were paid the Red Cross rates, the army being re-imbursed by the Red Cross; they lived under exactly the same conditions as the hospital personnel. And yet, one of our girls, who contracted an ailment under these circumstances can get nothing, while a nursing sister who contracted the same ailment under the same circumstances, automatically is granted the stated rates of pension.

We would reiterate, here, that our purpose in being sent overseas was to increase the scope of the work of the Canadian Red Cross, which society's prime purpose was to administer to the welfare of our service men. Owing to the impossibility of procuring English personnel to do the work, our government granted exit permits for us to proceed overseas. You all know that in the early days of 1943 and onward the Immigration Department was not authorized to issue exit permits unless the request for it was considered sufficiently important. 641 of these exit permits were issued for Red Cross girls, and each one of them went overseas to do work which was considered important enough to warrant that permit being issued. The job of this auxiliary to the armed forces could not have been done had it not been for our services overseas, yet we are here giving you these facts, while the men of the Y.M.C.A., the Knights of Columbus, the Salvation Army and the Canadian Legion have all been granted the same benefits as the armed forces who everyone knows did such a wonderful job.

We sincerely appreciate this opportunity of presenting our case to you, and we trust that we shall be very glad to have the opportunity of answering any questions which may have arisen in your minds about our claims.

I shall be glad of the opportunity to answer any questions.

The CHAIRMAN: Thank you, Miss Roberts. We do not want to prejudice or to commit ourselves, but may I say, in respect to the presentation which has just been made by the persons concerned, that this is what a humble gentleman did on a former occasion, a gentleman who spoke of their behalf.

Mr. LENNARD: Yes, and they did not know what they were talking about.

The CHAIRMAN: That I was trying to imply without so saying.

Now, if any of you gentlemen wish to direct questions to Miss Roberts, she has agreed to try to answer them.

By Mr. Pearkes:

Q. I would like to ask one question. With respect to these Red Cross personnel who went overseas, what were the conditions under which they could be relieved from service and returned to Canada, if they so desired?—A. Well, originally our contract had no length of time except for the duration of the war. We signed a contract when we joined the overseas services of the Red Cross, that it was to last for the duration of the hostilities, and there was no provision made for leaving.

It is true that some of the girls did leave under special circumstances; but in most cases, unless it was upon compassionate grounds, they paid their own expenses to go.

Q. And they would have to get permission to do so from where?—A. Actually it came from the Red Cross Overseas Commission or from the Red Cross officials in Canada.

Q. You could not give us any idea as to the number of those who did return?—A. Actually, the number who returned before the cessation of hostilities would only be a matter of three or four, who came back upon compassionate grounds.

By Mr. Brooks:

Q. In connection with the Red Cross, were there New Zealanders or Australians or South Africans there? You worked with those girls I presume in England as well?—A. Actually, General Pearkes, we did not have much contact with the other empire Red Cross people.

The Canadian Red Cross Society worked in co-operation with the other Red Cross Societies, but we did not have much to do with the personnel in actually carrying out the work.

Q. But there were quite a number of them in England?—A. I really do not know. The Australians did have some in later, but I do not know of any New Zealanders or South Africans.

Q. I have been greatly impressed with the presentation and I feel impressed with the fact that something should be done. But I was wondering if Mr. Woods could advise us whether anything has been done in Australia, New Zealand or South Africa with reference to the Red Cross.

Mr. Woods: I have not the information today, but I would be glad to get it.

By Mr. Lennard:

Q. I think that is apart from the point altogether. The government has seen fit to recompense other auxiliary services, yet the government has done practically nothing for these Red Cross girls.

This is no new argument. We have been hammering at this for two years now and I feel it is about time we did something.

The CHAIRMAN: The procedure which was adopted by the committee at the last meeting was: to hear these briefs and to get any supplementary information which the committee might desire from the witnesses while they were with us; and then to consider the briefs in committee.

I think we could all, perhaps not profitably but quite sincerely, rise in our places in appreciation of the brief and of our sympathy with the claimants, but I think we had better confine ourselves this morning to taking advantage of the presence of this eloquent witness and in getting the facts so that when we come to make our decision, we will have all the available facts.

By Mr. Skey:

Q. May I ask Miss Roberts if she can give us any idea of the number of pension claims which have been made?—A. Actually, there has been one granted.

Three claims were turned down during the last two months. I do not know of any others pending, but I believe there are some. I do know that three have been turned down within, let us say, a matter of weeks.

By Mr. Herridge:

Q. It is rather interesting to me to see how the rather aged members of our committee rise to their feet rapidly now that we have a ladies' delegation.

I want to ask one question at this point.

On page 1 of her brief, the witness referred to discipline established and enforced to an astonishing degree within the limits of a volunteer organization. I would like to have a little explanation as to that, and I think some of the members of the committee would like to know exactly under what circumstances that discipline was imposed?—A. Our feeling was, that first, to take girls from business and all walks of life, practically, and to have them volunteer to do whatever might be asked of them be it day or night, in any hour of the day or night—they did it without question.

I know, from my own personal experience—I went in from the beginning, and I do not think I ever asked a girl to do anything, nor was I asked to do anything myself which I did not do quite willingly.

There wasn't any question of a girl saying: I don't think I should do that because so-and-so has not been asked to do it.

Rather, the feeling was: I am told to do it and I am going to do it. That was it, purely and simply.

Q. Are you speaking of certain regulations while overseas?—A. Oh, yes.

Q. Would you mind explaining?—A. We were subject to regulations.

By Mr. Croll:

Q. When you were attached to a military unit, you were subject to military regulations, but always under the O.C.?—A. Yes, either under the O.C. or under the matron of the hospital.

By Mr. Fulton:

Q. In the brief reference is made to representations which were made before us in 1946 by gentlemen who were supposed to be representing the Red Cross, and the Red Cross Corps, and that they did not do a very good job.

The witness has told us—the brief tells us, that they had to correct certain misimpressions made by a previous presentation.

I wonder if the witness could tell us now who the overseas club of the Red Cross Corps represents so that we will know, if it is a fact, if we have now heard from the group which really represents the Red Cross overseas girls?—A. Our membership is composed entirely of girls who served overseas. We are very proud of the fact that we are an organized club which has as members girls who served overseas.

Q. Do you ever cover them all pretty well?—A. I might say we have a few who have not paid their fees but they are all automatically members.

The CHAIRMAN: I should think that qualifies you as having a regularly organized club.

By Mr. Pearkes:

Q. I wish to ask, with regard to the question of discipline, whether any girls were sent back from overseas for disciplinary reasons?—A. I can truthfully say there were none of whom I know.

Q. Good. Do you know of any girls being relieved of their duties at the request of the officer commanding a hospital, or of any instance like that?—A. No, I frankly do not know of any case where a girl was asked to be removed

from a military unit. There may have been, and in fact I know there were a couple of cases, where our own girls were asked to leave by our own overseas commissioner because of the fact they were not carrying out their duties. That, however, is not an unusual thing under the circumstances.

Q. No.—A. As far as the attachments to military units are concerned, I do not know of anyone who was asked to leave for disciplinary reasons.

Mr. QUELCH: I wonder if the witness could give us a breakdown of the number of girls who served in the different theatres of war.

The WITNESS: I am afraid I have not got the actual numbers, but we had 641 girls overseas altogether and of that number there would be under 100 who served as welfare workers. Those welfare workers served with hospitals in the actual fighting zones. We had probably that number again as handicraft workers serving in hospitals in Great Britain.

Mr. BROOKS: Great Britain was a theatre of war.

The WITNESS: Yes, but I meant when they got on the continent. Anywhere outside of Canada was considered a theatre of operations. There were probably something up to 200 ambulance drivers and lorry drivers.

The CHAIRMAN: Did any of them serve on the continent?

The WITNESS: Yes, quite a considerable number did serve on the continent and in fact one of our girls was given an award—an honourable mention for work at Ostend.

The CHAIRMAN: I might say that I was aware of the answer but I wanted to have it on the record.

Mr. TIMMINS: Were some of the girls serving in Scotland as rehabilitation workers and physiotherapy workers—occupations of that sort?

The WITNESS: We had several girls attached to H.M.C.S. *Niobe*, in Scotland. The Canadian Red Cross group had no personnel other than that. There is a slightly erroneous impression that the Canadian nurses who went overseas to serve in the Scottish orthopedic hospitals were connected with our organizations but they were not. They were sponsored by the Red Cross but they were not part of our organization.

The CHAIRMAN: I might point out with respect that a brief was presented to the committee and representations were made on behalf of that group of girls who served in the orthopedic hospitals under the Canadian Red Cross and they were dealt with as a group, but they are not covered by this particular brief.

Mr. TIMMINS: Mr. Coldwell, who helped to present the brief a few years ago, was the honorary treasurer of the Red Cross in Toronto, was he not; and it was purely a voluntary effort on his part, but he did not have all the facts?

The WITNESS: His position at that time was Honorary Corps Commissioner of the Canadian Red Cross Corps. It was a voluntary post.

Mr. MATTHEWS: Was Mr. Coldwell overseas in the last war?

Mr. TIMMINS: I can answer that question. Mr. Coldwell was overseas in the first war during which war he was wounded.

Mr. BRYCE: Was he overseas in this war?

Mr. TIMMINS: No.

Mr. CROLL: No, but he was trying to do them a good turn.

Mr. TIMMINS: Yes, but he just did not know all the facts.

The CHAIRMAN: I think that in the interest of complete fairness, which I am quite sure Miss Roberts desires, the delegation which appeared before the committee, according to my recollection, and there are many who can check me, felt that they were under some obligation—as representations were being made on behalf of various groups—to say a word for these girls. The gentleman came voluntarily and not to do a disservice, although that apparently happened. The intention to help is admitted by all.

The WITNESS: We would like to make it plain that we do not intend any censure of that body but there was an error which we wish to correct. One of you gentlemen asked a question about our girls serving in Scotland. I just had a note handed to me on the matter and we had some V.A.D.'s in E.M.S. hospitals for a short period.

Mr. QUELCH: How did the Red Cross girls fit into the picture of the Royal Canadian Army Medical Corps?

The WITNESS: They were requested by the director general of medical services to be attached to the Canadian general hospitals as welfare workers. Our girls did work for which nursing sisters had not the time. The Red Cross girls set up libraries, and while they did not do occupational therapy they helped the boys to put in the time and kept their minds occupied, wrote letters for them and so on. I think as a matter of fact I would ask Miss Beauchamp, who was one of those workers, to say a word.

Miss BEAUCHAMP: Actually the girls were doing everything that nursing sisters could do had they the time and we were trying to help fill in the holes. As Miss Roberts said we wrote letters—as we all know the men were writing a great deal to Canada—and we read books and passed them on to the soldiers who were wounded. We handed them cigarettes and comfort bags with shaving kits and so on when they were admitted after they came down from the fighting lines. We received them, and whenever the doctors told us they could have such things we handed them coffee and sandwiches. We generally talked to them and tried to keep up their morale, which was the biggest part of our work.

The CHAIRMAN: Are there any further questions? If there is no further interrogation of the witnesses may I, on behalf of the committee, thank you for the very clear, concise brief and the pleasant manner of its presentation. I can assure you, on behalf of the committee, that when we come to deliberate on our report we shall not only remember but we shall consider carefully in such report the information you have given to us this morning. Before we dismiss this delegation I had overlooked something, gentlemen. I had received it and I had it here in front of me but my mind must have been wandering. I received a letter from the General Secretary of the British Empire Service League enclosing a resolution which deals with the matter raised in the brief presented by these young ladies this morning, and with the consent of the committee I should like to read it to you:

Whereas Red Cross Nursing Corps, St. John Ambulance Corps and Occupation Therapists have been outstanding in the field of voluntary war service which our country has neglected to recognize in any manner other than by way of pension rights.

And whereas that very recognition is an admission that these people did render a very vital service to their country.

And whereas these formations volunteered to do service for our country anywhere in the world and yet upon cessation of hostilities and subsequent discharge they received not even a discharge pin.

And whereas most Canadians who served with British or allied services are granted full rehabilitation privileges on return to Canada.

And whereas women serving under military orders and discipline as members of the British Red Cross Nursing Corps, Canadian Red Cross Nursing Corps and as members of the St. John Ambulance Corps and Canadian Occupational Therapists have until now received no compensation or recognition for a service comparable to any.

Therefore be it resolved that representation be made to parliament that full rehabilitation rights and gratuities, similar to those extended to nursing sisters and armed forces be extended to the following classes

of the aforementioned formations and to further include them in the civil service preference classification:

A. Canadians who joined up with the British Red Cross as nurses and welfare officers and served in a theatre of war and under military discipline.

B. All members of the overseas detachment of the Canadian Red Cross Corps and of St. John Ambulance Corps who served in a theatre of operations.

C. Members of the Canadian Occupational Therapists Association who served in a theatre of war.

D. And also those members of the aforementioned Corps who served in Canada under military discipline.

I am not going to invite discussion on that resolution at the moment because it will be before us when we come to consider the matter, but I wanted to have it put in at some place in the record. One member of the committee asked me respecting (d) as to whether women who served in Canada under military discipline would include officers' wives. I do not think it was intended that they should be included.

Mr. LENNARD: Mr. Chairman, is it your intention to pursue this matter now?

The CHAIRMAN: No. The committee resolved at its last meeting to deal with all the representations in camera after we had heard the representations from these three groups.

Mr. LENNARD: Because I would give notice now that as soon as this matter is up for discussion I have a motion to put.

The CHAIRMAN: Well, there has been pretty general indication, Mr. Lennard, of sympathy, and there will be an opportunity to deal with that, but we are not going to consider any particular resolution or submission from any of these delegations until we have heard them all. That was the agreement of the committee.

We have with us Mr. Pierce, of McGill, who represents the Ferry Command, as we generally speak of them here. Mr. Pierce appeared before the committee in 1946, and he has a very brief supplementary submission to append to that which was given to us on the former occasion.

J. M. Pierce, ex-member, R.A.F. Ferry Command, McGill University, Montreal, called.

The WITNESS: Mr. Chairman, honourable members, ladies and gentlemen: I have in a brief here given a short summary of our case as it has been dealt with by the committee up to date which will save you the necessity of going over all these dates. I believe that a vast majority of the members here today were at the last committee before which I appeared; which, incidentally, was in the fall of 1945, two and a half years ago; and I will take this opportunity of bringing the information up to date on this matter. The subcommittee at that time made certain recommendations, which I think are on page 2, of this brief, and these were passed unanimously by the committee as a whole and incorporated in recommendation No. 22, reported to the House. However, the government at the time did not see fit to place those recommendations of the committee before the House as legislation; but, however, they did put through a pensions provision with a rather stringent means test. It is rather involved but I would like to state the results of that pension act. It gave us certain rights on account of our

service in that we were to receive the same rate of pension as the military, provided the applicants were in necessitous circumstances. This is the way it worked out. One young lad, an officer, was killed, and his wife was expecting at the time, and she had a very small capital, consisting I think it was of not more than \$1,200 or \$1,500. She was an English girl who had been brought over from the other side, and she immediately went to work and took a business course during the six or seven months before her baby arrived, and after the baby came—she financed herself—she went to work, and then she got a home. She is living somewhere in Ontario in a place she got under the pay-as-you-go plan, and she wasn't making enough to get along on and friends and some of the rest of us were helping her. She got a pension of I think it was \$40 under the Quebec Workmen's Compensation Act, and she applied for a pension when this bill came up. We notified her of her eligibility, and Mr. Woods' department notified her also. But she didn't get any pension because she owned a house. Another case is that of a rather famous young Canadian pilot, Jack Bradley, who set many records during the war. His widow was left with a small amount, I think it was around \$12,000. She went out to Vancouver with her family—it was then two, plus one which arrived later—and after she got out there she took that money and bought herself a little house; she figured that probably was the best thing she could do at the time. Again, she can't get any pension because she owns a home and she is working there trying to keep things going. So nobody has got any pensions as far as I know. Is that right, Mr. Woods?

MR. WOODS: I am not in a position to say, Mr. Chairman, and our pensions commissioner is not here; but I could say this again, as I have said so many times, that the object of the means test in our department does not bar a person because they own a home. Certainly that is not the case under the War Veterans Allowance Act. I would like to get the full particulars of these two cases and I will ask General Melville to report on it to the committee.

THE CHAIRMAN: I think that should be cleared up. The committee would certainly want to have the particulars of the two cases which have just been referred to, and we will accept the assurance of Mr. Woods that the committee will have a report on those cases.

THE WITNESS: A development which I think is of considerable importance since our last appearance before the committee is that in January of 1947, the British Ministry announced that civilian air crew of the Transport Command had operational status. This gave former civilian air crew equal right to the award of operational war medals for service in war theatres throughout the world. I have with me here, as a matter of fact, the letter awarding me the medal, and that entitles me to the Atlantic star and the British war medal. A great many of the other men who saw a lot more service than I did received the Africa star, the Italy star—almost every medal which was awarded to Canadians in the Transport Command; that shows the extent of our service, and that has now been recognized by the British Air Ministry.

Now, when we were here last we did not know just what benefits, of course, would be extended to our men; I refer, of course, to those of us who went to college. Of the forty-six men who went to college nineteen have had to quit because of lack of funds. Three of us graduated this year, including myself. There are nine who are still attending university. The rest had to drop out. I have interviewed every one of them and they would all like to go back and finish their courses. None of them failed, they had to drop out because they just could not hold out financially; and it is very well worth noting that of all the young men at university of those nineteen who started out in college that none of them were in the higher pay brackets. Certain objections have been raised that these men have nothing to kick about because of the high rates of pay they were receiving. I want to emphasize what I have just said, that every one of these men is in the lower pay brackets. As a matter of fact, half

of them would be away less than \$200 a month, I wish to make that clear, that none of them were in the \$1,000 a month bracket. There were no Canadians in that bracket. There has been a lot of talk going about with regard to the R.A.F. boys getting this \$1,000 a month and therefore not being in need of any benefits. No Canadian got any \$1,000 a month. That is all very well covered in our former presentation which will be found on page 370 of the 1945 report where it appears as appendix E. The rates of pay are all there and they have not been disputed. As a matter of fact, the R.C.A.F. rates of pay are underestimated; they had a living allowance which would have brought their rates still higher. However, I will not go into that again. While a lot of these young men who have gone to university were in those higher pay brackets the men in our group are desperately in need of help now, particularly because of the fact that they were in the lower pay income groups. None of our men can be stated to be completely unemployed. Some of our people are driving tractors. We have one captain who is driving a steam shovel. They are all showing some initiative and some have started small businesses of their own. They have met all sorts of restrictions in getting those businesses started because they have not been considered veterans.

I will say, however, all credit is due the people of Canada. All the people who have been able to make up their own minds in the hiring of men have considered people in the Ferry Command as veterans. The same thing applies to the universities. If a man was in the Ferry Command they consider him a veteran, although that does not pay his dues. I know that is the case in a lot of universities, such as Queens and McGill. Some universities have put the fees on a credit for these chaps. They have said, "If the government ever does come through, you can pay us then". I think Dr. James of McGill made a presentation through the University Advisory Council to the government. I have never seen it in print, but he assures me he did.

(Off the record discussion.)

These CC commission men had positions in the Ferry Command which did not call for flying. Mostly they were transported as civilians would be from Montreal to Labrador or such places and they would stay there for six months. They were doing administrative work and could leave on two weeks' notice. Yet, these men have received all benefits because of this CC commission while flying personnel who, in many cases received far less salary if that is a consideration and I do not think it should be, have received absolutely nothing.

I have also enclosed in this brief, gentlemen, one of several editorials which appeared in the *Montreal Star* on our behalf. Mr. Ferguson, the editor of the *Star*, was kind enough to print 35 copies of it on short notice. I brought them up for you to read in case some of you have not been following that paper. It has been mentioned by certain groups opposed to us that the feeling around Montreal was that Ferry Command fellows received enormous salaries and did nothing but drive big cars and act drunkenly in the Montreal night clubs. Certainly, it was thought the Montreal press would echo public opinion, but the Montreal press has been favourable. The *Montreal Star* has printed several articles in favour of us and this is one of them.

There were very few cases of undisciplined action, and those were not by Canadian but by American pilots who were up here. People had no way of distinguishing. The Canadians never received those large salaries.

I am getting to the stage now, Mr. Chairman, where I am repeating what was said last year and I do not want to take up the time of the committee in doing that.

By the Chairman:

Q. Perhaps you could answer one or two questions to refresh my mind and the minds of the members of the committee. How many men are involved?—A. About 240.

Q. That does not include the men with the CC commission?—A. That does not include them. There are 57 CC commission men who have been well taken care of.

Q. Does your present brief request full benefits or does it request selected benefits? My recollection of your previous presentation is that you emphasized certain of the benefits as being most valuable to your chaps?—A. We only request what was recommended by the committee.

Q. By the subcommittee?—A. By the subcommittee and approved by the committee. We do not ask for any more.

Q. In other words, you are asking this committee to reaffirm what the committee of 1946 recommended but which was not granted?—A. Exactly, sir.

Q. One other question; have you any means of knowing how many of those 200 odd whom you mentioned were rejected for service by the R.C.A.F.?—A. No, I do not know how many, but a very large percentage were radio officers. There are some interesting details in connection with the radio officers of which I was not aware until a day or two ago.

The majority of Canadians were radio men. In fact there were almost 200 Canadian radio officers. They were experts in their field. A good many of those men were employed by the Department of Transport. During the war any radio officer with the Canadian Department of Transport was not permitted to volunteer for active service nor to obtain leave of absence to volunteer for active service. However, he would be given this leave of absence to go with the Ferry Command which shows the high position of necessity in which the Ferry Command stood. Many of them did resign and join the armed services, in which case they could not expect to be reinstated. Subsequent legislation by the government which made reinstatement compulsory has taken care of that. However, these people were wanted in the Ferry Command. They were needed.

Q. There were restrictions put on to direct them to the Ferry Command rather than the R.C.A.F.?—A. Yes. Mr. Weaver was questioned on that a year ago and he explained it, but not too well, I am afraid.

By Mr. Quelch:

Q. Can the witness say how many of the Canadians who joined the ferry command, and were married, were killed, and how many of their widows made application for pension, how many of those were granted, how many refused, and the amount of the pension?—A. It is in the 1946 evidence. The percentage is 20.25 that were killed; one man in 5 was killed over all.

Q. Do you know how many of those were married?—A. No, I do not.

Q. Have you any idea how many of the widows have made application for pension?—A. I know personally around 6 or 7. I have not been able to get an official record on that. I am sure the department has it.

Q. You mentioned two had been refused. I was wondering how many of the applications have been refused?—A. All of them; nobody has been accepted. Nobody has received a pension to my knowledge.

The CHAIRMAN: We will have the exact figures from Brigadier Melville before we resolve the matter, as to those granted, those rejected, and the grounds for rejection.

Mr. LENNARD: Would it be possible at that time for the government to produce the letter from Dr. James of McGill University?

Mr. CROLL: That was an inter-departmental committee of university presidents, and I do not think—

Mr. LENNARD: It was written to the government on behalf of the ferry command.

Mr. CROLL: No.

The CHAIRMAN: I imagine from the description it is privileged correspondence. However, I do not think it makes any difference.

Mr. WOODS: I happen to be chairman of that university advisory committee. It comprises the presidents of the larger universities. I will be glad to have the records gone through to see if I can find it. I would have to get Dr. James' permission.

Mr. CROLL: I do not think the letter is important, and I am sure if Dr. James said he did it, then he did it.

Mr. LENNARD: I am not reflecting on that angle at all. I merely want to strengthen the case for the members of the ferry command.

Mr. CROLL: It cannot be any stronger than what we did in 1946.

Mr. LENNARD: We did not do anything about it.

Mr. CROLL: We did all we could.

The CHAIRMAN: You were a member of the subcommittee which made the recommendation that was accepted by the general committee. You do not seem to have changed your mind, and I do not think I have.

Mr. QUELCH: It was suggested we made a report and then no action was taken in regard to the recommendations, but I certainly think most of us were under the impression that the wives of those who were killed automatically got a pension. I was under that impression.

The CHAIRMAN: Do not think for a moment I was suggesting we should not go any further or change in any respect our recommendation. In answer to a question from me Mr. Pierce said that substantially they were asking us to do that which the committee recommended formerly, but that does not prevent any member of the committee from either adding or taking away from that in accordance with their present views.

By Mr. Pearkes:

Q. Have you a list of the Canadians who were members of the ferry command?—A. Yes. We had some difficulty obtaining that full list. When Dorval ceased to operate as a military base the list of personnel was sent to the British Air Ministry pension representative here in Ottawa. Subsequent to that I received a request from the pension commission for this list. I wrote to the British Air Ministry people up here—I have all the correspondence—and asked them if they would be so kind as to let me have the list, or if they would not do that to pass it on to the pension commission. They said that it being a very secret matter and so on, the air ministry, and having to get permission from London, they could not think of doing such a thing, but they would look into the matter. I sent that letter right back to the pension commission who apparently went over personally to the air ministry representative and immediately secured the full list, so it is in the hands of the department now.

The CHAIRMAN: We can get that.

By Mr. Pearkes:

Q. The point I want to get at is this. Can you give any idea as to the date when that list was made available? I am interested in that section which says that the widow has to apply within one year of the passing of this Act if she wishes to get a pension. I believe the department has had some difficulty in getting to know where the various widows might be, and the widows have not been informed in all cases of the fact of this legislation with the result that there are

perhaps widows who, simply through ignorance and through the difficulties which the department has experienced in notifying them, were not able to make application within that year. Personally I dislike that clause very much, and I intend to raise the question at a later date.—A. Thank you. I will send the correspondence which gives the exact date to the chairman and he will be able to take the evidence out of that.

The CHAIRMAN: Are there any further questions?

By Mr. Lennard:

Q. I have one question perhaps of a minor nature. Of the 11 chaps you say had to leave college because of financial difficulties how many of them were married?—A. I know three of them were married and the rest—

Q. You are not sure of the rest.—A. I am not sure of the rest. I know 4 or 5 of them are single. That accounts for 8. The other 3 or 4 I do not know.

By Mr. Pearkes:

Q. Can you give us roughly an idea of the number of Canadians who were in the ferry command, the number of British and the number of United States personnel?—A. Yes, certainly.

Q. Is that contained in your previous brief?—A. Mr. Mackenzie asked me that question in 1946 but we did not have that, and we still have not. We have had some difficulty and had at the time with the records office at Dorval which was run by C.C. commission men who were working through the Department of Justice. Maybe this should be off the record.

The CHAIRMAN: I do not know what you are going to say.

(Off the record).

The CHAIRMAN: It is sufficient for the purposes of the record for you to say you had difficulty in getting information from the people at Dorval.

The WITNESS: Out of 450 radio officers almost 400 were Canadian. There were about 60 Canadian pilots. There were 44 Canadian captains, 32 first officers, 149 radio officers surviving. Fifty-one were killed. One-third of the radio officers were killed. There were 21 flight engineers, 23 observers. There were not more than 3 or 4 British captains, and maybe a dozen British radio officers and one or two British engineers and one British observer. There were quite a few American captains. I would say no more than 50, who all received \$1,000 a month tax free.

By Mr. Pearkes:

Q. Who all received what?—A. They were the ones who received the famous \$1,000 a month, these American captains.

Q. And had certain other benefits. Did the Canadian government have any influence on or any relation to their income tax?—A. Considering they were civilians residing in Canada for longer than nine months of the year, and yet they paid no income tax whatsoever there must have been implied approval by the Canadian Income Tax Department.

By Mr. Herridge:

Q. Who paid the \$1,000 a month?—A. The British Air Ministry, but it is interesting to note that came out of Canadian funds eventually.

By Mr. Brooks:

Q. Of the 20 per cent casualties in the ferry command how many were due to enemy action?—A. It is almost impossible to tell because many of the crashes were due to mysterious circumstances.

Q. Is the difficulty you have in obtaining pensions due to the fact that you cannot prove that it was due to enemy action?—A. No, because the Act is worded in such a way that it is the necessitous circumstances clause which makes the difficulty.

The CHAIRMAN: Are there any more questions? We have one more delegation with us, but I do not want to leave anything unsaid.

By Mr. Herridge:

Q. Would you explain what the C.C. business is? Some of us are mystified about it.—A. I will explain that again. I should like to refer to the inter-departmental committee report which covers the situation. That is March 26, 1946, pages 30 to 33, No. 1, section 5.

Mr. FULTON: We have not got that.

The CHAIRMAN: It is on page 1 of the brief handed to you this morning.

Mr. FULTON: The report is not.

The WITNESS: I am going to tell you right now, but that is where it may be looked up in detail. The C.C. commission was an honorary commission which was given in England to civilians who had certain qualifications and administrative capacities to act as administrative officers with their force. They remained civilians and received civilian rates of pay.

It was started, I believe, to enable men of high technical qualifications who could not leave their high-salaried jobs unless they received a similar high salary and it was essential for the British government to keep these people where they could be useful.

The salary was a personal matter between the Air Ministry and the individual; and they were given honorary commissions.

When the British took over the Ferry Command in Canada, in 1941, I believe it was, they decided that they needed some administrative officers along those lines to run the administration and at the various bases which were opened up in Canada and all through the Pacific islands.

So they recruited a large number of local business men in Montreal, some of whom were very well known, and also a large number of commercial graduates of McGill university and they gave these men C.C. commissions.

The initial rate of pay was around \$240 a month; and the Wing Commanders received \$360; and they received living allowances on top of that.

They could resign on two weeks' notice, but to their credit, let me say that I do not think they did—not more than one, they stayed all during the war.

They did no flying. Their job was purely administrative. And at the cessation of hostilities, the British government awarded to them the British War Medal, which everybody got over there.

These men made representations through Mr. Maurice Wilson and Mr. Harold Long, through the Department of Justice, and, in very short order the Department of Justice ruled: seeing that they were members of an allied service which was recruited outside of Canada, they were to be entitled, if otherwise qualified, to all Canadian benefits, and they have received them.

The CHAIRMAN: That simply corroborates the evidence that we had in 1946.

Mr. HERRIDGE: Yes, but it appears to be clearer to me this morning.

The CHAIRMAN: Are there any further questions to be asked of Mr. Pierce.

By Mr. White:

Q. You mentioned that the Americans who received \$1,000 paid no income tax. Did the other Canadian pilots and officers—were they subject to tax?—A. Yes, up to 1943 they paid approximately fifty per cent of their income by

way of income tax; but after that, they received a one-third exemption which meant they paid income tax upon two-thirds of their actual income.

The CHAIRMAN: That roughly conforms to the amount made to officers and first class warrant officers in the army, the rate which they paid on—they had a basic exemption.

Mr. QUELCH: That is one very big difference there, of course. The officers in the army—

The CHAIRMAN: Yes, the officers in the army who served in Canada only, if married, had a basic exemption; but latterly, about the date mentioned by Mr. Pierce, they had \$2,100 exemption, which comes out about the same thing.

The junior ranks were not paid enough to be badly affected.

Thank you, Mr. Pierce, for your presentation. You know, of course, that through the secretary we will see to it that the information is before the committee relative to our recommendation with respect to the previous time and the excerpts of the evidence asked for.

Mr. Woods will come before us and he will bring it before us at the appropriate time, that information.

Thank you very much.

By the way, congratulations upon having succeeded in graduating yourself.

Now, we have with us this morning Mr. McVie, and Mr. Jordan. Mr. McVie is the President and Mr. Jordan is the Vice-President of the National Council of Student Veterans, Canada, and they have requested permission to present a brief, a commendable brief in that it is short. We shall give them an opportunity to present that brief to you and you may question them upon the conclusion of the brief.

Mr. W. D. McVie, President of the National Council of Student Veterans, Canada, Bishops University, Lennoxville, P.Q., called:

Mr. LENNARD: This is a national organization?

The CHAIRMAN: It is the national council of student veterans.

The WITNESS: Yes. I would like to state that the veterans are pleased with the success that we have had thus far. Now, seeing that it is getting late, I shall not bother to read the first two parts of my brief in which I just describe general conditions under which most veterans went to college, but I shall read the general notes.

Mr. FULTON: The suggestion is that, as it is getting late, and some of us may want to question the witness, would it not be better to hear this witness at four o'clock, if he can be here then, so that we can consider the whole matter?

The CHAIRMAN: I was going to seek the consent of the committee to sit for whatever time it is necessary in order to complete the hearings this afternoon.

Ordinarily, beginning at 11.30, the committee would sit through until 1.30, but that interferes with the lunch hour. Are you gentlemen driving?

The WITNESS: Yes.

The CHAIRMAN: So it does not matter if you do not get away until the middle of the afternoon?

Shall we then allow Mr. McVie to present his brief whereupon we shall adjourn and come back at 3.30?

Mr. BROOKS: Why not at 2.30?

The CHAIRMAN: I thought 3.30. The House meets at 3.00 and there are no Orders of the Day; but we would need a quorum at 3.00.

Mr. LENNARD: Why not make it at 3.00, so we can be in here at five after?

The CHAIRMAN: That is agreed, then let us make it 3.10 here. Very well, we will let Mr. McVie present his brief; then we will have a chance to look at it and to shoot at him afterwards.

The WITNESS: Thank you very much. It is a help to get started for home in daytime. I now have about ten minutes, so I shall read the whole thing.

Purpose of University Training and Rehabilitation Programme

1. Reward for lost time and opportunity.
2. To give the men a chance, if they had the ability (mental), to obtain a level of education that would allow them to compete with non-veterans of the same age group.
3. To fill the shortage of trained men and especially professional men who are so badly needed in the expansion and development programme of the nation.

4. To make the veteran feel he had been given every chance to rehabilitate himself and forestall dissatisfaction.

Purpose of the Student Veteran Allowances

1. To make it possible for all veterans, no matter what their rank, or former financial status, to take part in the programme.
2. To give the veteran enough to allow him to carry on, provided he supplemented the grant by summer employment and savings, and no more than enough.

I do not think it was intended then or now to give any more than it was necessary to get by.

General Notes

That the amounts of \$60 and \$80 were arrived at after a careful study by a committee of over sixty Members of Parliament as being merely sufficient—no more.

The Department of Veterans Affairs and the former Minister of Veterans Affairs have, in the past, repeatedly emphasized that the differential between single and married veterans had been carefully worked out and that the only increase that could be considered was a flat increase in the case of radically changed conditions. The conditions have changed radically, as evidenced by the increased cost of living index and by the increased grants to married veterans. Single students also face increased costs because of the widespread increase in charges for board and room. (Normal boarding rates, even in smaller towns, now are over the full sixty dollar allowance.)

In that respect I would like to state that in Lennoxville, which is one of the smallest, the cheapest room you can get is \$15 a week with two meals; and that means that you have to pay for at least your noon meal every day, fifty cents.

The amounts decided upon were independent of other veteran classes and were worked out to suit a special need. No dissatisfaction was voiced or has been voiced by other veterans because all had the opportunity to avail themselves of the offer.

In that respect, the Canadian Legion recently endorsed our students by a great margin.

The men who decided on the training benefits risked their opportunity to get a quick start in their civilian occupation and the chance that they would forfeit all benefits if it proved that they were incapable of assimilating the training. Many have lost their benefits this way. The ones that

remain have displayed their mental ability to take the training and this large majority will provide a return on the money invested in them if they are allowed to finish their courses.

The rising cost of living has forced many veterans to the wall and the rapid depletion of their savings is bound to force many out before they finish their courses thus wasting their entire investment.

I have an appendix at the end, covering the figures in that respect.

The students who will be able to stay in college will be composed more and more, under these conditions, of those veterans who do not need the assistance to go to college thus wasting the whole purpose of the programme.

In that respect, I am speaking of those who would have been sent by their parents anyway.

The students who work during the term, after lectures, may scrape through but they are not going to represent the well educated class but rather merely the learned. College education involves more than mere lectures—indeed lectures are but a fraction of the education received in university. Further to this point, it is important to note that in the fields of medicine and denistry and engineering, where, perhaps, the most valuable graduates come from, the student has no time for anything but his studies, even if he is brilliant.

And again, in respect to that note, most of the college activities in such places as McGill are carried on by Bachelor of Arts and Bachelor of Commerce students, who have the time. The other students just do not have the time to take part in extra curricular activities.

The CHAIRMAN: You are not suggesting that it requires brilliancy in order to get through Law? I would not?

The WITNESS: The treasurer of the organization is a law student and he approves of this brief.

Both single and married men are important in the programme because the single man of to-day is the married man of tomorrow. Just because a man looked ahead and planned to go to college instead of being married is no reason why he should be forced out of university and yet the present tendency is to say— "Well if he leaves college it is only one man and he can go out and do something else." In this respect we would point out that single men have practically no chance to get loans under the University Loan Scheme and that recent announcements of allowance increases have ignored the single veteran entirely. There was no such discrimination in their service days—both had to fight equally hard to achieve the victory.

In that respect, it was brought up to the Hon. Mr. Gregg, when we met him, shortly after our conference about the loans, that there is nothing in the law, I submit which excludes single men. But I have been assured that they have very little chance of getting any, because it is considered that they can live—under no matter what conditions—that they can live on their allowance; and if they are living over it then they are wasting money.

The CHAIRMAN: I do not want to interrupt you in the presentation of your brief but your interpretation of your brief—just in case I forget it—you stated, at the beginning, that it was the intention to assist these people.

The WITNESS: Yes.

The CHAIRMAN: Should you not have said that the thought is that they can live on—that is, that they can earn enough to supplement it?

The WITNESS: Yes, I am sorry; I must pay closer attention.

The CHAIRMAN: All right.

The WITNESS:

All the facts and figures show the need of an increase for all veterans and for more than \$10 for the married veterans. The veterans themselves are vitally interested of course but it must be remembered that a student dropping out of the second year in medicine, dentistry or engineering, or even in the third or fourth year of a B.A. or Science course, is wasting an investment of several thousand dollars made by the taxpayers of Canada. Surely a further investment of a few dollars a month is worth making to save the whole amount. If these students become professional men, their income tax alone will repay the investment in a short time. If they drop out, and become mere clerks or labourers, it will never be repayed, because they could have done that three years ago.

Apart from the cash return, the additional supply of professional men to fill the ranks of our scientists, doctors and technicians, the demand for which has increased tenfold since 1939, would alone make the additional expenditure one of the most valuable that you, gentlemen, have advocated on behalf of the people of Canada.

Thank you, Mr. Chairman.

The CHAIRMAN: Thank you, Mr. McVie.

Mr. FULTON: Should we not have the appendix read so that it will appear in the records?

The CHAIRMAN: Mr. Lennard moved that the Appendix "A" to this brief be printed in the record.

Carried.

APPENDIX "A"

QUEENS UNIVERSITY,
KINGSTON, Ontario.

General Summary of Student Veterans' Questionnaire

	Per cent
1. Total number of questionnaires completed: 1069 or.....	67
2. Student veterans who have completed 50 per cent or less of their course.	70
3. Student veterans whose savings have been depleted by 50 per cent or more.	68
4. Student veterans whose savings are exhausted.....	26
5. Student veterans who will be forced to leave university on financial grounds.	15
6. Student veterans who may have to leave for financial reasons.	21

Faculty Breakdown of No. 2 above

Arts, 50 per cent or less of course completed.....	63
Science, 50 per cent or less of course completed.....	57
Medicine, 50 per cent or less of course completed.....	92

The CHAIRMAN: That, gentlemen, concludes our deliberations this morning; so we shall adjourn until 3.15 this afternoon.

The committee adjourned to meet again at 3.15 this afternoon.

AFTERNOON SESSION

The committee resumed at 3.15 p.m.

The CHAIRMAN: When we adjourned before lunch we had just had the presentation of the brief by Mr. McVie and Mr. Jordan. In the course of the presentation of that brief there was no opportunity for members of the committee to ask questions. That will be the first order of business.

W. D. McVie, President, National Council of Student Veterans, recalled.

Mr. QUELCH: There is a point I should like to raise. You remember in 1946 when we considered this question a provision was brought in to make loans available where students could not meet certain costs. I have a letter here from Mr. Donald D. French, representative for Manitoba, Saskatchewan and Alberta, National Council of Student Veterans. This is what he says:

Apparently individual universities vary considerably in their conditions which determine eligibility for the loan. For example, a certain eastern university has discouraged the loan practice to such an extent that the students have lost hope in even attempting to obtain it. At the other extreme is a western varsity which can produce a long list of satisfied loan seekers. The students merely ask and they receive. I have had personal experience with the loan board of the University of Saskatchewan. On this campus the loan is viewed as an emergency measure only, and money is not given out unless definite proof is presented in the form of doctor bills, promissory notes, etc.

I remember that the members brought this question up earlier in the session, and the minister made an investigation. I should like to ask the witness what your experience is now in regard to the way universities treat applications for loans?

The WITNESS: I have had no notice of any change in the treatment of loans as far as single men are concerned. We have had relatively few complaints, I should say, regarding loans to married men, but we have been under the impression that for a single man to get a loan is something like a camel trying to go through the eye of a needle. It is possible according to some theologians and impossible according to others. I think generally it is left up to the universities, but that directives are ultimately responsible for the attitude generally, not in each individual case, but for the attitude generally amongst universities. I think it is very difficult for a single man to get a loan.

The CHAIRMAN: With respect to that this matter came up this morning, and the deputy minister or Mr. Parliament might just as well bring us up to date at this point on what the loan situation is. You will remember the deputy minister reported to us earlier in our sittings that a directive had gone out to reach greater uniformity in the granting of loans. I think there is some statistical data available now which will perhaps bring us up to date.

Mr. PARLIAMENT: During the fiscal year ended March 31, 1947, there were 195 loans granted to university students. The total as at the 30th of April, 1948, was 720; that is 525 against 195. The breakdown of the loans is 80 per cent married and 20 per cent single. Of the single veterans receiving loans not more than 25 per cent, according to the most recent analysis, have dependents.

Mr. FULTON: Can you give a breakdown of the number of loans per university, the number of applications made and the number of applications granted?

Mr. PARLIAMENT: I could not give the number of applications made but I could give the number of applications granted. The greater number of loans have been in the University of Toronto, 164; University of British Columbia, 123; McGill, 113; University of Alberta, 74; University of Saskatchewan, 58; University of Manitoba, 38; Ontario Agricultural College and Veterinary College, 33; Dalhousie, 25. Western University students have not received any loans as the university has not used this loan fund as it has ample funds available in the university, and they use that fund entirely.

Mr. FULTON: Do they make it in the form of a loan or an individual grant?

Mr. PARLIAMENT: Usually the practice in the universities is a loan, I believe.

Mr. FULTON: Does that breakdown of the number of loans per university correspond roughly, or is it proportionate to the number of students at those universities?

Mr. PARLIAMENT: Roughly it is in about the same proportion. I just have not got the exact registration of the universities here. I might be able to look it up in a moment or two.

Mr. FULTON: In other words, if it were so it would satisfy us there is reasonable uniformity now in the making of the loans. Have you any comment to make on that?

Mr. HARRIS: It strikes me Toronto is away low.

The CHAIRMAN: On that basis Toronto appears to be low.

Mr. BROOKS: There are some not getting any at all.

Mr. PARLIAMENT: The University of Saskatchewan has 2,235 veterans registered, and the University of Alberta, 2,361. The loans are 58 and 74.

Mr. BROOKS: Might I ask if all universities have taken advantage of this loan situation? I notice some of the universities are not receiving any loans at all. I was wondering if the smaller universities had made application for the benefit of the loans for students.

Mr. PARLIAMENT: I just went down to 25. All universities have taken advantage of it to my knowledge with the exception of the University of Western Ontario which is using their own fund.

Mr. PEARKES: The university board has the discretion of saying which students should get it.

The WITNESS: Mr. Jordan has some information on married loans.

The CHAIRMAN: Mr. Jordan is the vice-president of the organization.

Mr. JORDAN: If we could go further in answering the general question on the rate as far as loans are concerned, it is true that a single man experiences a great deal more difficulty in obtaining a loan than a married man, but it is also true that in individual universities—I think our files will show this or we could get figures to that effect, and I am sure the department has the figures, anyway—that even in the case of married men two identical cases are not treated alike by the university board due to a matter of interpretation, and different periods of time, and perhaps different individuals serving on that one board. One man may apply for a loan of \$500 for exactly the same case as another man applying for a similar figure of \$500, and yet one will receive \$350 while the other one will receive \$200. That happens in some cases due to changing personnel on the board, and changing interpretation of the loans.

Mr. WOODS: May I say we have received some complaints about lack of uniformity on the part of these boards as a result of which we sent Mr. Jamieson, who is superintendent of university training with us, across the dominion to call on each university with a view to securing uniformity of practice. I think

conditions have improved considerably since his trip. He reported to us they now at least had a common understanding of what the fund was available for and how it was to be administered.

The WITNESS: In respect to Mr. Woods' statement I must admit that examinations starting early in the year for a great many universities made it very difficult for us to bring our figures past our conference with the Minister of Veterans Affairs, and therefore I would be quite willing to believe it is true that since Mr. Jamieson has been around things have improved. I should like to point out, however, that our brief is not based entirely on the loan situation. It is not entirely proved that loans are a vital factor in the cases of single students or married students. The loans have to be for emergencies. You cannot progress on a loans system. It would hardly be reasonable to expect a man starting a four or five-year medical course, who is running short just a bit each year, to go to a loan board and say: I need \$50 more in order to carry me through this year, and then for that man to come back to that loan board the next year and say the same thing.

The greatest danger is that a student faced with that trouble will have to drop out.

I know of one student at our university, for example, who dropped out because of financial difficulties which were giving him a great deal of trouble.

He was a French-Canadian and a rather excitable chap and it was just too much of a strain for him to stay; and he could not even afford to go to a show so he dropped out to go to a mine as a labourer.

For two weeks he helped his mother at home and then he went to a mine. He spent two years in college, but I do not think the money spent on him has returned any dividends whatsoever.

He got a questionnaire from the Department of Veterans Affairs—and I would like to compliment them on the promptness with which they try to check up on these things—and he answered that he was not happy in the course.

If he had not lived just two doors down the hall from me, I probably would have believed it, but I know the chap personally, and I think that is quite a common occurrence amongst veterans. They cannot be expected to stay in all the time.

Their expenses cannot be just kept down to board and room. For instance, if a man has smoked for four years during the war, he cannot be expected to stop smoking while he is going to university.

I admit that smoking is a luxury, but it is a luxury you cannot do without if you are going to study—that is, if you have been used to it.

If you have gotten used to smoking and you try to study without smoking, you continually find your mind is thinking about cigarettes. I know, because I tried myself a couple of times; and I think it has to be counted amongst the legitimate expenses.

There are other expenses too which a single man as well as a married man has to have apart from his board and room, books, paper, transportation between his home and college, cigarettes, the odd light lunch, and the odd show. All these things have to come out.

If a man goes into the bush for, let us say, two or three months in the summer, you cannot expect him to come out of the bush and go right back to his studies and books. He must have at least a week's holidays before he goes back to college or he just can't study.

A man who has been overseas and everywhere else cannot be expected to sit in his room and just study and never go out of his room. His funds must be adequate to give him some kind of life, although not a comfortable one, perhaps.

We are not asking for money to give a man an easy life. They all go out to work during the summer, but jobs during the summer time where you can save \$500 are few and far between. Those who get such jobs are people who know somebody and it is the people who were in the ranks in the army who do not know such people who can get those \$500 jobs for them. It is true that there are such jobs, but they are mighty hard to get.

The CHAIRMAN: Are there any further questions?

By Mr. Fulton:

Mr. FULTON: I wonder if the loan situation does not offer a possibly easier alternative than an increase in the grant? Do I understand that the universities have been instructed that the loans will be given only in cases of special emergencies?

Mr. WOODS: It is true that an emergency, where the term is used in connection with the loan—and the order in council which authorized the expenditure of funds—an emergency has been interpreted to the universities both at their advisory council meetings and through written briefs from us—we have construed it to be an emergency if a student is faced with having to drop out of college through lack of funds. We have interpreted that to be an emergency.

So, if any university declines a loan to a student who otherwise will have to give up his course for lack of funds, then they are not following out the directions that have been given, directions to which they have agreed.

Mr. FULTON: Has there been any increase in the number of loans given to the universities?

Mr. WOODS: There was an increase, yes, but there has been a falling off since the restrictions were removed on the earnings with respect to married and single students—following the removal of those restrictions there has been a remarkable dropping off in loans.

Mr. JORDAN: May I make a comment on Mr. Wood's statement: it may be very true that there has been a marked falling off of those loans, but 80 per cent of those applying for loans previously were married men, and the reason for the falling off is that the wife is now allowed to make more than \$75 a month.

I graduated this year and received my degree. All the way through my course I worked part time. I made \$60 a month part time so I was able to carry on.

Any man who works part time and can make more than \$75 a month has not the proper time to spend on his studies. Once he passes the \$75 a month in the part-time capacity he is stepping into a full-time job. Therefore, I do not think the lifting of the restrictions of \$75 a month aids the single man one little bit.

Mr. WOODS: Well, it was one of the things that was asked for from us by the Veterans Association—that we remove that restriction.

The CHAIRMAN: I think it has been unquestionably well received. The question came up again this morning—as it comes up every time—with respect to the number of students who dropped out because of their financial problems.

We investigated this matter two years ago, and again last year, although there was no committee. The figures were exceptionally low, that is, the number of veterans who left university through all causes, away below the percentage of those who fell out of their courses for all causes. Are there any new figures which Mr. Parliament may have for the last term.

Mr. PARLIAMENT: We recently requested our district officers to obtain a report of the number of veterans who were obliged to withdraw on financial grounds. Twenty-five were reported this year of which two-thirds were married and one-third were single.

Mr. QUELCH: Was that last year?

Mr. PARLIAMENT: No, for this academic year just ending.

The CHAIRMAN: Just ending last month.

Mr. PARLIAMENT: Twenty-five across Canada.

The CHAIRMAN: Twenty-five out of 32,000 who gave that as their reason. It has been suggested—and I am quite sure accurately—that there are a considerable number who gave other reasons which are either only supplementary to the reason of shortage of money.

Suppose a man is offered a job at \$200 or \$300 a month now, and that man is living on \$75, and he takes that job at the present time. He does not leave university because he is unable to go on, but because he decides not to wait.

Mr. BROOKS: Does that twenty-five mean that they dropped out during the academic year, or does it mean that they dropped out last year, or does it include those who did not come back, such as those who dropped out during the academic year.

Mr. PARLIAMENT: This twenty-five is the number reported as the number who withdrew for financial reasons, of those who registered at the beginning of this academic year, and who dropped out.

Mr. FULTON: In a number of universities the student veterans made a survey on their own in which they sought to get a real answer to the question: will you have to retire for financial reasons? I wonder if either of the witnesses from the association have figures other than for Queen's university, whose report we have before us.

The WITNESS: Unfortunately I sent all my—I had a great number of figures, but I sent them all to the University of Toronto's Social Department for tabulation; but unfortunately they either misplaced them, or, at least, they have not completed working with them because they had not sent them back as I requested a number of times.

I would note however that most of the figures from the colleges that we did get results from, agreed substantially with those of Queen's.

Unfortunately, the questionnaires that they answered were answered before the conference, and because of the early closing of the colleges we have not been able to get complete questionnaires. I think, however, from the Queen's questionnaire that Queen's are more fortunate in the matter of living costs which are substantially lower there than is claimed in our case. I cannot give you the figures for McGill although they have been compiled because they are all in Toronto. They got the same answers except that they were much more severe because the cost of living is higher in Montreal. I would point out section 5 and 6 of the Queen's questionnaire—student veterans who will be forced to leave university on financial grounds 15 per cent; student veterans who may have to leave for financial reasons 21 per cent—and that survey was taken this spring. The cost of living has not gone down since that time and instead I think it has been still creeping upward very slowly. Certainly if 15 per cent of them drop out it will be the 15 per cent who need help most. The 21 per cent will be again in that group although they are slightly better off. You are not going to find everybody leaving the universities. I think at our own university approximately 50 per cent would probably—I do not say they would have actually—but they would probably have been able to go to university with their

parent's money if they had wished. If they had not gone to war they probably would have gone to college anyway but it is the 15 per cent and the 21 per cent of those who could not have afforded to have gone to college about whom we are worried. If 15 per cent drop out the system has failed to that extent.

The CHAIRMAN: I think the members of the committee will remember that in 1946, toward the end of the session when we were considering this question, we were solemnly assured by the gentlemen who appeared before that committee the capacity in which you gentlemen appear today, that not less than 35 per cent of all veteran students would have to drop out within six months. Actually the figure ended up at substantially less than 9 per cent for all causes including a variety which could not be called financial causes. I think the figures which have the greatest bearing on our deliberations are those figures indicating the number which in point of fact dropped out for financial reasons. Those figures should be taken rather than those figures on people, bearing in mind that they are hoping for more generous treatment, may have to drop out. I would not, as an individual, be prepared to accept that figure of 25 as the exact number which dropped out. I think of my own personal knowledge I could add at least a couple.

Mr. BENTLEY: May I ask a question with regard to that 25? If those 25 did drop out for financial reasons why was it not possible for them to get loans from the university? I know that it is a small number, but if 25 could not get loans how could the others get loans?

The CHAIRMAN: Under the regulations the universities were instructed to make known to them that none need have done so. From personal experience I know of a chap who was taking an art's course. He was married but he was not making the grade financially. When I spoke to him and asked him why he did not get a loan his reply was where did I think he would get sufficient dividends on an art's degree to warrant pledging his credit for \$2,000. He had a chance to go to a job and taking all things into consideration that is what he did. I know that quite a few students who graduated in 1946 did not think they would graduate unless they got more money. This is not an argument against more generous treatment and in fact more generous treatment has been afforded, but it is something which we must decide when we come to make our report.

Mr. FULTON: I think your words should be clarified to some extent. The 25 referred to were those who dropped out for financial reasons—an expression used by themselves, but the figure does not include those who did not give that as the real reason for dropping out although it was the reason.

The CHAIRMAN: That is the point that I tried to make at the beginning. I do not think 25 is the real figure and I think there are many others in whose cases financial embarrassment takes a part. For instance one chap says he left to take a job and the reason he took that job was probably because he was not making the financial grade.

Mr. BENTLEY: A lot of young men attending university did not have time credit enough to take the full four or five years. Perhaps he only had two years' time. Some of those young men who dropped out for financial reasons may be included in the list which the witness has.

The WITNESS: They are included in my list. The matter was brought up at our conference with the minister and at the Legion convention out west, and it is our understanding that a resolution was passed by the Legion recommending that the loan scheme be extended to cover those who had exhausted their credits, if their marks were good.

The CHAIRMAN: Only those who make the top 25 per cent are entitled, by ministerial direction, to assistance to complete their courses. Mr. Parliament

was on the resolutions committee at Saskatoon and he told me the Legion did indeed recommend that the top 25 per cent in all the examinations, and whose credit was running out, should be considered as entitled to emergency treatment. For instance the student who had only four years' credit should be allowed to draw a loan for the purpose of completing his last year. That is the sense of the resolution which the Legion passed and it is something which is within the power of this committee to consider.

Mr. Woods: Mr. Chairman, I may say we also made a survey of the men who had absorbed all their time or who had come to the limit of their time. We found that 90 per cent of those who had been struck off because their time had expired were continuing either at their own expense or with assistance from other university loans. 90 per cent of those whom we struck off because their time had run out are continuing.

Mr. BENTLEY: They are younger men.

Mr. Woods: Generally speaking. I spoke to a member of one of the faculties of a large university the other day and he assured me that no student was allowed to leave the university in the middle of a term simply because he did not have enough time coming to him, and I am advised they are using other funds.

The CHAIRMAN: That is one section on which there might be a little complaint. Are there any other questions which any of you gentlemen would like to ask Mr. McVie or Mr. Jordan? They still have a long drive ahead of them and while we want to give them all the time they can use we do not want to unnecessarily delay them. Were there any questions, Mr. Woods, arising out of this statement which you wanted Brigadier Melville to answer?

Mr. Woods: No, I do not think we have any questions to ask.

The CHAIRMAN: If there are no further questions then I can only give you gentlemen the assurance which we have given other delegations, that the committee does attend these hearings and does give earnest consideration to the matters which you raise. We do not always grant everything which is asked for and we in turn do not always receive everything we ask for. We are interested in your problems and generally speaking the committee is rather better than reasonably well informed. I am glad to be able to thank you for coming and for your able presentation.

Before we adjourn, Mr. Pierce, in making his representation this morning on behalf of Ferry Command, raised a question with respect to eligibility for pension and the deputy minister said he would have the chairman of the pension commission get us the information on it. I asked Mr. Pierce to come back because Brigadier Melville is here and we will be able to have the questions and the answers in explanation included in the minutes of the same meeting. Mr. Pierce is here. A question arose out of his remarks this morning as to pensions for widows of Ferry Command personnel. He indicated to us this morning that he knew of two widows of Ferry Command chaps who had not been able to establish pension rights because they had a home; and the other general question which arose was, did not Ferry Command widows receive entitlement to pension.

Mr. MELVILLE: Mr. Chairman, the actual situation to-day is this. There were 16 awards to dependents of Ferry Command personnel under the provisions of part 10 of the Civilian War Pensions and Allowances Act. Forty-three applications have been received from dependents. Now, I am trying to make a very quick review of these refusals; not all of them, but I was able to get 30 cases; and, of those 30 cases this is the summary: Ten were refused on account of lack of domicile. The first requirement, of course, in the opening section of part 10, is that he had to show domicile on employment in Canada

at time of enlistment. These 10 applications failed because of domicile. Thirteen were refused because of the applicant not being in necessitous circumstances. Here is a case where a woman earns \$96 a month and receives compensation of \$50 a month; that is for a widow and child; and dividends from bonds at so much a month. We did not consider that that widow was in necessitous circumstances. There are others here with earnings of \$100 and \$130 a month, and so on—varying amounts; so there were 13 cases refused as not being in necessitous circumstances.

The CHAIRMAN: May I interrupt you there a moment? Is there any level more or less generally accepted to indicate what constitutes necessitous circumstances? In some government legislation anything less than \$100 a month is so regarded. Have you any yardstick like that?

Mr. MELVILLE: We would use the equivalent to a 100 per cent pension for a widow and children. The level of income would have to be the equivalent of a 100 per cent pension. In addition to that, if she were working, we always make some allowance if she has to incur extra expense; for instance, in the form of carfare. She may have to provide meals; she may have to provide attendance for her children—all these are taken into consideration by the commission when we are dealing with the earnings of the widow under a claim of this nature. Three claims were refused on the grounds of remarriage. Some lost their husbands and relieved the problem of maintenance in that way. One was refused because death was the result of an automobile accident—not as defined under the act: enemy action or counteraction. And three had been refused, Mr. Chairman and gentlemen, because the applications were not made within the time limit of one year. I thought it advisable to bring that to the attention of the committee at this time. Now, one word of explanation I think would help. The Civilian War Pensions and Allowances Act was enacted on the 31st of August, 1946. Following upon that enactment the commission gave consideration as to what would be the fairest and best thing to do, and we sought out and we obtained a nominal roll of every dependent on whose behalf a claim had been made or an award. Then we decided that the next best thing to do would be to communicate with these dependents and advise them of the provisions which existed in the act. We did not, however, think it was good business for the commission to write out inviting them to apply for pensions and have that same body say: "we can't give it to you because you do not meet the requirements of the act"; therefore, we arranged for the chief pensions advocate to send a letter. He sent a letter out which very fully outlined the provisions of the statute and called particular attention to the time limitation, and he advised them to get in touch with their local pension medical examiner; and we sent a list of all offices, and a list of the local pensions medical examiners, and a list of each of the offices. Everyone got full information with regard to the provisions of the statute.

Mr. WOODS: This letter was only sent to those who had applied and whose claim had been rejected?

Mr. MELVILLE: To all of those who had established dependency on account of death.

Mr. WOODS: Then it would be possible that there might be a widow or widows who had never heard of the legislation and had never filed an application to receive the benefits of this act.

Mr. MELVILLE: I do not think that would be possible. I think any widow of personnel in the Ferry Command who would be entitled to receive consideration under this section—any widow or dependent—would have been notified.

The CHAIRMAN: In other words, there could be no new entitlement created—

Mr. MELVILLE: There could not be any of that, Mr. Chairman; and I have a suggestion which I propose to submit to this committee which would

cover part 1, merchant seamen, and part 10, Ferry Command personnel. It is known to the commission, based on experience, that some dependents have definitely failed to make application within the period specified. It does not seem fair that this section of the Civilian War Pensions and Allowances Act should contain a prohibition of one year whereas the Pensions Act in dealing with these claims provides greater latitude. So the amendment which I propose to bring forward for consideration by the committee would abolish the time limit with respect to applications where death has occurred.

The CHAIRMAN: I think I can promise the support of the committee.

Mr. PEARKES: Is it not possible for a person to apply for a pension after the expiration of the time limit? For instance, a widow remarries and a mother might become dependent.

Mr. MELVILLE: That is the very reason, General Pearkes, why we feel that an amendment should be introduced. The member meets death and the mother might become dependent: we think that such a prospect of dependency should be provided for as in the Pensions Act.

The CHAIRMAN: Gentlemen, we will at a comparatively early date be dealing with this in the form of a resolution. At that time it is proposed to have with us the chairman and the heads of each of the branches of the department, and we will then take suggestions from them and we will ask them to draft our suggestions in some form which is workable.

Mr. QUELCH: I wonder if Mr. Melville could give us any information on this point: let us assume that the financial or economic condition of a dependent of one of these Ferry Command personnel were to deteriorate, would she then become eligible for consideration?

The WITNESS: That might not be under the statute today, Mr. Quelch. If our amendment were approved such an application could be entertained. In that regard also, gentlemen, the commission is now reviewing awards and payments on account of the increase in the scale of pensions. We thought that while they were discretionary awards it certainly would be the will of parliament that beneficiaries under this act should benefit by a corresponding increase; but we are reviewing the claims and taking that action.

The CHAIRMAN: That does not involve a sort of second means test, does it? It simply means if they are still deependent they get the advantage of the increase?

Mr. MELVILLE: Correct.

Mr. BRYCE: Did the Brigadier deal with the two cases the gentleman brought up this morning?

The CHAIRMAN: They will probably be included in the thirteen cases the General mentioned. If he does not happen to have them sorted out, we will deal with them when Brigadier Melville is before us again.

Mr. MELVILLE: I do not see those cases here. However, I could make this very definite statement now, that if a widow owned a home and the only income she had was the compensation which she received as the result of the loss of her husband during service in the transport command, if she owned a home and received only the \$40 a month which is the compensation award being paid, we would certainly make an award in such a case. There were one or two cases in which there was not just the question of owning a home unencumbered, but of owning other property from which an income was being received.

Mr. PIERCE: On that point, I was over at Legion headquarters and it seems that their opinion, as well as mine, is that a widow who is a widow because her husband was killed while flying in the Ferry Command should not be treated differently. She is just as much a war widow as one whose husband was killed while serving in the army, navy or air force.

Mr. MELVILLE: That is an entirely different question.

Mr. PIERCE: I appreciate that.

The CHAIRMAN: I asked Mr. Pierce to return since I wanted to make sure he had the fullest opportunity to make any representations he desired. That concludes our proceedings for this afternoon.

Mr. LENNARD: Just before we close, I might say that possibly Brigadier Melville, when he comes back, could refer to those two cases but not by name.

The CHAIRMAN: I understand he has undertaken to do so.

Mr. LENNARD: Without disclosing any of the persons involved.

The CHAIRMAN: We will be in camera at that time anyhow. Our next meeting will be held on Tuesday. We have been fortunate in being able to have this room while we had large delegations. I have consented to having our meeting on Tuesday, at any rate, and possibly the remainder of our meetings, in room 497. Another committee which is receiving large delegations will require this room. As I say, we have had it all session—

Mr. LENNARD: Nearly all session.

The CHAIRMAN: You have had it since I was chairman, anyway. I have agreed, in your name, not to have any more speeches of the type we had when we did not have this room.

At our meeting on Tuesday we will hear representatives of the Fire Fighters and the Merchant Seamen. I think we should be able to conclude with them in the two meetings. If we do not we will sit again at night, with your consent, because we are bringing them down here at great inconvenience.

Mr. BRYCE: At what hour will we meet on Tuesday, Mr. Chairman?

The CHAIRMAN: At 11.30.

The committee adjourned to meet again on Tuesday, June 15, 1948, at 11.30 a.m.

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Canada. Veterans Affairs, Special Committee on 1947

SESSION 1947-48
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948)

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 25

TUESDAY, JUNE 15, 1948

WITNESSES:

- Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs;
Mr. J. L. Melville, Chairman, Canadian Pension Commission;
Messrs. Richard J. Hake, Herbert R. Magill and Charles A. Rowntree,
The Corps of Canadian (Overseas) Fire Fighters;
Mr. A. J. Heide, Canadian Merchant Navy Veterans Association.

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1948



MINUTES OF PROCEEDINGS

TUESDAY, June 15, 1948.

The Special Committee on Veterans Affairs met at 11.30 o'clock a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Benidickson, Blair, Bryce, Croll, Dickey, Dion, Emmerson, Gauthier, Gregg, Harris (*Grey-Bruce*), Herridge, Isnor, Lennard, McKay, Matthews (*Kootenay East*), Moore, Mutch, Pearkes, Quelch, Skey, Timmins, White (*Hastings-Peterborough*), Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Messrs. Richard J. Hake, Herbert R. Magill and Charles A. Rowntree of The Corps of Canadian (Overseas) Fire Fighters; Mr. A. J. Heide, Canadian Merchant Navy Veterans Association.

Mr. Melville gave the Committee certain information respecting pension awards to dependents of former members of the R.A.F. Transport Command.

Mr. Hake was called, presented a brief on behalf of the Corps of Canadian (Overseas) Fire Fighters (which is printed as *Appendix A* to this day's minutes of proceedings and evidence), and was questioned thereon.

Messrs. Magill and Rowntree were called and questioned.

The witnesses retired.

Mr. Heide was called, heard and questioned.

Mr. Heide tabled a brief on behalf of the Canadian Merchant Navy Veterans Association, which is printed as *Appendix B* to this day's minutes of proceedings and evidence.

Mr. Heide retired.

At 1.30 o'clock p.m. the Committee adjourned to the call of the chair.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
June 15, 1948.

The Special Committee on Veterans Affairs met this day at 11.30 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: The immediate business before us this morning is the hearing of the brief of the Canadian Corps of Overseas Fire Fighters, but with the approval of the committee before we begin that, as we concluded our last meeting one of the members of the committee asked for a report from the chairman of the Pension Commission with respect to two specific cases which were mentioned. In order to keep continuity in our records, if the committee will consent, Brigadier Melville will put a brief statement with respect to that on the record. Then I will call on Mr. Hake to present the brief for the Canadian Corps of Overseas Fire Fighters.

Mr. MELVILLE: Mr. Chairman, and gentlemen: There were two claims on behalf of widows of Ferry Command pilots which had been refused by the commission, and I promised to bring particulars with respect to them. It is provided in the Act that a pension may be awarded when the widow is in necessitous circumstances. In the first case an application was received from the widow. She was employed with a salary of \$120 per month. She had a very substantial equity in her home, and she received compensation of \$50 a month on her own account and that of one child. The commission ruled she was not in the necessitous circumstances and an award was not indicated at that time. When we communicated that decision to the widow we advised, however, to this effect, that if at any further date the widow or child becomes in a dependent condition it would be their privilege to apply for further consideration. Nothing has been heard since that decision was transmitted to her.

Mr. CROLL: I understand \$170 was in the home each month?

Mr. MELVILLE: That is quite correct. In the second case the widow, following upon the death of her husband, had purchased a home for \$6,850 for which she had a clear title. In addition to that she had very substantial bonds and income from investments, and in addition to that she was in receipt of an award of compensation of \$70 per month on her own account and that of three children. The commission advised her she was not considered to be in necessitous circumstances at that time, and also advised her if her circumstances changed she would have the privilege of applying. We have not heard from that widow since that decision was communicated to her.

The CHAIRMAN: Thank you very much, Brigadier Melville. We will now hear from Mr. Hake.

R. Hake, President, Corps of Canadian (Overseas) Fire Fighters, called.

The CHAIRMAN: Mr. Hake will present the brief of the Canadian Corps of Overseas Fire Fighters

The WITNESS: Gentlemen, as the elected representative of the Overseas Firemen for the whole of Canada I have much pleasure in presenting this brief to you for your consideration. Incidentally the brief is the same brief that was presented two years ago with the exception of the front page which we have added to it. I would now like to read the front page.

We would like at this time to place before you this brief in connection with the Corps of Canadian (Overseas) Fire Fighters. A similar brief was presented to the Veterans Affairs Committee in 1946 and twice received favourable endorsement, but upon final disposition of same, a bill was presented to the House which only granted us minor adjustments. Unfortunately, there seems to be considerable misinterpretations and misunderstandings pertaining to the operation of the Corps which we feel should be clarified.

Our request is that we be placed on the same basis as the armed forces. Some of our reasons for this request are as follows:—

(1) We all enlisted in the Corps as volunteers for service in England or any other country wherever needed.

(2) Our pay and allowances were the same as the army.

(3) Our finances were governed by F. R. & I.

(4) We received medical and dental treatment from the Canadian army.

(5) Our attestation was the same as the army, which was for the duration of the war or as long as needed.

(6) We were finger-printed and photographed by the Army Intelligence Bureau and carried army identification cards.

These are some of our main reasons:—

Some of the members of the Corps were killed or wounded during enemy action. Some of our members received decorations. Our job at all times was hazardous and dangerous, having to perform our duties during enemy action. We were called upon to provide fire protection during the loading and unloading of boats containing high explosives and highly inflammable cargoes.

Upon our return to Canada, we received very favourable praise from the British Government, the National Fire Service, and our own High Commissioner in London at that time, the Honourable Vincent Massey.

In submitting this report, we feel that our services should receive equal consideration as the armed forces.

That is the supplementary page that was added to our old brief. Is it your wish that we read the old brief?

The CHAIRMAN: Does the committee desire the re-reading of the original brief? I am in the hands of the committee, but I think that is probably not necessary. Most members of the committee will be familiar with the information. You have a copy in your hands. We shall not be resolving our decision with respect to the matter today. You will notice at the back of the brief there is a comparison of the rehabilitation benefits and gratuities granted to the various services. They will be tabled with the brief and appear with the consent of the committee, in today's deliberations. (Appendix A).

Before I invite any discussion or questioning of Mr. Hake and those who are with him I want to make an announcement to the committee with respect to the vexed question of income tax. I am directed by the Minister of Finance to say that in co-operation with the Minister of National Revenue a decision has been taken and is being implemented by the necessary directives, to the effect that the understanding will be carried out which many members of the committee formerly had, but which somehow was mixed up in other things and was not made operative. Those members of the Corps of Canadian Overseas Fire Fighters who have paid income tax for the period of their overseas service will have such moneys as they have paid refunded, and those who have not paid as a result of the understanding which they had with some of us will not be compelled to pay, and such garnishees as have been issued are in the process of being withdrawn. Therefore that particular matter is finally settled.

Mr. CROLL: While you are at it, does that extend to the auxiliary services? The CHAIRMAN: Pardon?

Mr. CROLL: Does that extend to the members of the auxiliary services who served overseas?

The CHAIRMAN: Mr. Croll, you will remember very well as a result of the discussion which took place in 1946 a bill was drafted which gave to the members of the supervisory and auxiliary services all the benefits of the armed services except exemption from income tax. With respect to that a concession was made, but there was not any change in the Act. I might say the present order does not remove the liability of the members of the Corps of Canadian Fire Fighters to the tax, but is an executive act which in effect omits, under authority, to collect that which is legally due. That is what it amounts to. I am not a lawyer, but who look a gift horse in the mouth?

Mr. CROLL: Well, let us thresh the matter out then.

Mr. LENNARD: It has been threshed out several times now.

Mr. CROLL: This is something new.

The CHAIRMAN: It is a public announcement of something which is not new.

Mr. CROLL: It could not have been a public announcement of something which is not new because I read in the newspapers a week ago that garnishees were inflicted on people in Brantford.

The CHAIRMAN: It was done yesterday.

Mr. CROLL: Since then they have been dropped, and I am in agreement with that. I presume the basis for it is overseas service. We did not extend that same privilege to the auxiliary services. What I am suggesting is not to take anything from these people. I am in agreement with it. I am suggesting that it be extended to the auxiliary services in the same way by executive order. It should have been; may be it is. I do not know, but I would be very much interested to see that they are all treated on the same basis.

The CHAIRMAN: I am not going to dispute that but I think Mr. Croll's remarks illustrate better than words, I might say, the difficulty which arises in these matters. I am quite sure somebody else will want the same exemption later on for the munition workers, and somebody else for the harbour pilots, and that sort of thing.

Mr. CROLL: I said overseas service.

The CHAIRMAN: I understood perfectly what you said. However, at the moment I am not going to make any further explanation or commitment. I am stating the fact which does exist, that these gentlemen who have been harassed seriously as a result of misunderstanding are now being told that which was due is not to be collected, and in order to make it uniform for the organization they will all be treated the same. Those who have been forced to pay or have paid will have it refunded. Is there any further discussion?

Mr. HERRIDGE: I should like to ask the witness a question or two.

Mr. SKEY: Before you start, on an administrative matter, am I to understand that the whole of their brief will be printed in the minutes although it was not read?

The CHAIRMAN: That was what the committee consented to.

By Mr. Herridge:

Q. I should like to ask the witness the total number of men involved in this, and can he give us some idea of the enlistment in this corps by provinces?—
A. The total number of enlistments was 420. Of that number only 408 went overseas, but by provinces I could not tell you that offhand.

The CHAIRMAN: Mr. Magill may have that.

Mr. ROWNTREE: As close as we can answer that half were from Ontario, and the rest were spread across to the coast, with some from down east.

The CHAIRMAN: Mr. Lennard, you were on your feet.

Mr. LENNARD: It had to do with what Mr. Croll said. We have passed that, so I think probably the less said the better. I will say though in connection with this matter of income tax on the overseas fire fighters that there is some difference because, as you know, it was undoubtedly a misunderstanding, but no tax was levied against them. Nothing was deducted from their overseas pay during the war, and not only that they were promised, as you well know, by Major General LaFleche when they were being formed that they would receive these benefits. For that reason there is that difference between them and the auxiliary services.

The CHAIRMAN: The facts which Mr. Lennard draws to our attention are, of course, the basis of the successful conclusion of the long negotiations in order to eliminate this tax.

By Mr. Pearkes:

Q. Were there any personnel in this corps employed on His Majesty's ships or were the naval fire fighters something quite separate?—A. The naval fire fighters were separate. We worked on ships where they were handled by civilians in the loading, also with the Royal Marines in England, Southampton and Portsmouth.

By the Chairman:

Q. In dock?—A. Yes. They were used to transport highly inflammable cargoes and explosives. We were there to give fire protection while they were unloading the boats.

By Mr. Pearkes:

Q. Do you know whether the naval fire fighters were employed only in dockyards or whether they were employed in His Majesty's ships, and if they were employed on the high seas did they receive the same benefits as the personnel of the Royal Canadian Navy?—A. I could not answer that. I do not know.

Mr. PEARKES: I wonder if the deputy minister could answer that question.

Mr. WOODS: I am afraid I have not that information at the moment.

The CHAIRMAN: Were any civilians employed on naval ships of the high seas?

Mr. PEARKES: I am not certain of that, but there was a corps of naval fire fighters who were employed in harbours and on ships in harbours. Whether they were employed in His Majesty's ships on the high seas or not would have some bearing on this because if they were employed on the ships and received different benefits to these—

The CHAIRMAN: If they were civilian personnel I think there can be no question they would be excluded. In all the deliberations with respect to this there has been no provision for the treatment of civilian employees as enlisted personnel other than those benefits which have been granted to the various bodies which have been before us. This is one group which we have hitherto never heard of. We will find out for sure, but the committee would be quite justified in assuming if they received benefits identical with the navy they were enlisted personnel.

Mr. ROWNTREE: If I may answer that we worked in my own department with boys who worked in other services as fire fighters, and they were considered a part of that service and got the same benefits as everybody else in the service.

The CHAIRMAN: They were enlisted personnel?

Mr. ROWNTREE: That is right, although they acted as fire fighters from the time they enlisted.

The CHAIRMAN: But the point is they were enlisted personnel?

Mr. ROWNTREE: They were never considered anything else than soldiers that were in the army where they acted as fire fighters.

Mr. PEARKES: Were they employed exclusively as naval fire fighters? Was there not a separate corps of naval fire fighters? You might call it a unit in the navy.

Mr. ROWNTREE: To answer that, I might say that the navy came to our department for their experience as fire fighters, but they were hired as navy personnel and were treated as such all the time they were in.

The CHAIRMAN: They were not hired; they were enlisted?

Mr. ROWNTREE: Yes.

Mr. PEARKES: And employed exclusively on fire fighting duties?

Mr. ROWNTREE: I cannot say they were all employed exclusively on that. They were stationed in dockyards. One boy even went to sea to fight a fire outside Halifax and received a decoration for it.

Mr. BLAIR: Before the witness is finished the question came up before the committee about what Major General LaFleche said to them at Ottawa when they were mentioned as the fourth arm of the services. You remember when that was investigated Major General LaFleche said he had not stated anything of that kind. I should like to ask the witnesses while they are here just what happened on that parade on parliament hill when they were first enlisted and what General LaFleche told them, because there is definitely misunderstanding some place about that.

The CHAIRMAN: Before the witness answers you will remember we had presented in 1946 some 21 affidavits from personnel who were on parade at the time they were reviewed by Major General LaFleche as Minister of National War Services. Therefore the situation is and stands that way in the records of our meetings at that time that those affidavits were made, and subsequently there was a message from the General which in his view—

Mr. LENNARD: He had a lapse of memory.

The CHAIRMAN: Do not put words in my mouth. I am having trouble enough.

Mr. LENNARD: I am saying that.

The CHAIRMAN: He qualified the statement.

Mr. BLAIR: That was the point. General LaFleche did not remember if he had said anything about it.

The CHAIRMAN: In effect that is what he said.

Mr. BLAIR: The fire fighters stated he had.

Mr. LENNARD: Others besides the fire fighters heard him make the statement.

Mr. BLAIR: Is that matter clear? They were on parade. They were there. Is it clear they were promised those rights and privileges?

The WITNESS: I cannot give you the exact words that General LaFleche said. We went away in small groups. He always appeared before us and inspected us before we went, but his words were to the effect that we did not

have to worry about anything, that our families and everything like that would be taken care of, and we would receive the same consideration as others who had gone over in the services. That may not be the exact wording.

By the Chairman:

Q. That is fair?—A. That is fair. Every group was given that understanding that they had nothing to worry about. We were going to receive all the consideration that the other services received. Where the fourth arm of the service came in was when we had a big parade and demonstration outside, and the Governor General was there as well and they said we should be the fourth arm of the services, and it was generally accepted throughout the corps that we were going to get these rights and privileges.

Q. That was the understanding?—A. Yes. At that time we were not interested. We were volunteering for a job. We were on the way to do a job and we wanted to get over to do the work. We took it everything would be all right when we did come back.

The CHAIRMAN: Gentlemen, you have the brief. We have on record the presentation which was made before. The committee will consider this brief next week when we go into camera to discuss these various recommendations. We have a couple of other chaps here representing the corps, and before we dismiss them I should like to ask them if they have anything to say.

Mr. MAGILL: I have received letters from dependents of the deceased of our corps who received the Memorial Cross. They were very pleased to receive it. They gave us credit for getting it, and we told them the credit was due to the committee. These people are very pleased to have received it. They made application for it as soon as they heard they were available and they are very happy. We are very pleased to have received the other two awards, the Defence of Britain Medal and the War Medal. I do not know whether it is in the jurisdiction of this committee to recommend it but we have been told if this committee would recommend that we get the C.V.S.M. that we would stand a very good chance of getting it.

Our reasons for asking for this medal are very numerous, and I should like to give them to you. When we were leaving to come home from overseas from the army depot many of us were given the ribbon, possibly by mistake, from the quartermasters. We were very proud to put it up. That was all we had. When we came home we went to the new supreme court building and we were informed we had no right to wear it. Some took it down and some did not. Possibly some are still wearing it. I do not know. We were assured we would have a hearing and possibly we would get it. We did have some sort of hearing, I believe, and we were told no civilian group could get this medal because it was for the fighting forces. We were quite satisfied. We thought that was the way it should be. However, I went to a dinner and I sat beside a very good friend of mine, a very good fellow who had eight or nine ribbons up. I noticed on his shoulder he had the auxiliary supervisor's decoration. He was a good athlete and he did a good job in the war. In fact, he did great favours for our outfit overseas. I asked him if he had been in the forces. He said, no, but he had been in five or six years. I might mention these fellows made a lot more money than I did, but they were still civilians, and they are wearing that medal. Then we wrote and asked if we could have the medal. I should like to have this off the record.

(Off the record.)

One of our members is fifty-five years of age. He worked in a small industrial plant, in a small fire brigade in an industrial plant.

Four or five months ago, this fellow while wearing his uniform went shopping with his wife. When coming home, on the trolley bus, a young veteran who was slightly inebriated, got on, wearing four or five well-earned ribbons; and this young veteran being somewhat under the weather, started to pick on the fireman of fifty-five years of age from our corps. Because he was just wearing the two ribbons and not wearing the Volunteer ribbon. He called him unpleasant names and it got so bad that my friend had to get off and take the next street car. It is true that he did not feel too badly, but his wife broke down in tears.

So we feel that if we could get this award, it would clear up a lot of our problems, because being in uniform as we are, and going and coming from work, as I have indicated, these problems are likely to arise.

I believe that is all I have to say on that, gentlemen. I am thankful for the other ribbons we have got, and if it could be recommended that we get this medal, we would be very grateful.

The CHAIRMAN: Thank you, Mr. Magill.

I think you will recollect, gentlemen, whether it was on or off the record, that we had a discussion in 1946 with respect to this matter and the members of the committee will remember that we had an expression of opinion as to the possibility of it. But opinions do become reconsidered, and the committee will, I am sure, be most willing to consider your representations.

The committee would be delighted if their representations at that time played any part in resulting in the partial gratification of the perfectly natural desire which you had; and the matter will be, I am sure, thoughtfully considered by the committee.

We ran into a snag, last time, in respect to that, in connection with the definition itself. My recollection is that the ribbon was awarded to those volunteers for active service in the field. There seemed to be terminology which at the time tended to exclude, so the matter was dropped. But I can assure you that the matter will again be looked into and consideration given to the possibility of meeting the request.

I have no knowledge whether there is any change in the situation or not, but in any event, we will look into it.

Do you wish to say anything more, Mr. Rowntree?

Mr. ROWNTREE: We, in Toronto, who are firefighters, are working with firefighters who were in all the services, and although I am the only one who went overseas, yet I cannot wear that ribbon—in spite of the fact that I am the only one who was overseas.

The WITNESS: There were some cases of misinterpretation and misunderstanding. If some members thought that we could resign from this overseas corps at any time, let me say that it was utterly impossible. We could not resign at all. We were signed up for the duration, or for so long as we were needed.

The other point was regarding our service, that it only took us to England.

Let me say that we were re-attested in England and we signed on for any place where we were required, be it England or the continent, and as firefighters let me say that our discipline was just as strict as in the army and that our loss of pay was just as easy to get in the corps as in the army.

I think that should clarify some of the misinterpretations which may have existed since the last time.

Mr. WOODS: On what date was the corps brought back from overseas? It is not in my material here.

The WITNESS: The corps came back in small groups, the same as they went over. They did not all come back together. I think the last group got back here on the 17th of March, 1945.

By Mr. Woods:

Q. When did they commence to come back?—A. The first lot left about the end of December.

Q. December, 1944?—A. Yes, to come back.

Q. Then there were some of them who, instead of returning, volunteered for the war and were accepted in the armed forces overseas?—A. Yes. Some of our men transferred to the armed forces.

Q. Do you know what number volunteered and were accepted?—A. I could not tell you. I do know that some went to the army some to the air force, and some to the navy as well.

By Mr. Croll:

Q. They would get all the benefits; they would not come under this at all?—A. Yes; they got the benefits.

Mr. ROWNTREE: At the time the circulars came around from the commander of the corps, we found out definitely at the same time, there was going to be an overseas corps formed from our corps to follow the army. The reason I did not go over to the overseas corps then was because I intended to stick with the firefighters.

By the Chairman:

Q. Is it correct to say that a number of men who volunteered were assigned to overseas, that is, to continental firefighter forces?

Mr. ROWNTREE: I would say that ninety-nine per cent of that corps did volunteer for that corps.

The CHAIRMAN: That is not my point. I just want to establish the fact that notice was given that there would be a corps of firefighters to go to the continent, and that applications were received from men in England to volunteer for that service.

Mr. ROWNTREE: That is right, sir.

The CHAIRMAN: Do you know how many did volunteer for that service?

Mr. ROWNTREE: As far as I can remember, everybody did.

The CHAIRMAN: It was a general volunteering; and beyond that, did in fact such an organization ever take place and did in fact any of them ever go to the continent?

Mr. ROWNTREE: Yes, sir, one hundred of us were picked out and we went to a school near Southampton for four and one-half months training.

The CHAIRMAN: But no one went to the continent at that time?

Mr. ROWNTREE: No, sir.

The CHAIRMAN: And with respect to those one hundred, were any further opportunities given? It was decided, I take it, there would be no continental fire corps.

Mr. ROWNTREE: It was decided then that the corps was going to go home.

The CHAIRMAN: Was any opportunity given at that time to those, who were physically fit, to volunteer in the other services?

Mr. ROWNTREE: That is right.

The CHAIRMAN: Did any go at that time?

Mr. ROWNTREE: Oh, yes, they did, sir. The chap who worked beside me went immediately down to the army and he did go overseas. That is the only case I can remember; I could not say how many there were, but I know there were some.

The CHAIRMAN: You know there were some who first volunteered for the overseas firefighting brigade, that is, for the continental firefighters, and when that was denied to them, there were some who volunteered for the armed services as such?

Mr. ROWNTREE: Yes.

The WITNESS: I might say that these men were trained and prepared and even equipped in every way. There was an army officer who worked as an army liaison officer, and he worked with us to set these men up, and there was an age limit.

By the Chairman:

Q. It was thirty, was it not?—A. Thirty-five was the age limit we had to get into that group which was being prepared to follow the invasion troops overseas.

After the invasion started, unfortunately for us—but fortunately for the army, fire did not play a major part in the invasion and we were not needed. So, shortly after that, this group of men was returned to its station again.

Q. So it was no fault of the firefighters, those firefighters who volunteered to go to the continent, and the fact that “continental firefighters” opportunity was denied to them. But they did have another opportunity to volunteer for the armed services?

Mr. ROWNTREE: We were sent from that school outside of Southampton to be taken over.

The CHAIRMAN: I know about that.

Mr. QUELCH: And when was that?

Mr. ROWNTREE: Sometime in August.

By the Chairman:

Q. That one hundred became mixed?—A. They were mixed up coming back, but they were returned to their stations.

The CHAIRMAN: Are there any further questions? Are there any further questions in respect to the brief? If not, I wish to say to you, sir, that the committee will consider the brief which is presently before us, that is, by the terms of reference of the committee, and we will report our deliberations to the house shortly.

No decision is to be taken at the moment, but the final decision of the committee will be presented to the house for whatever action the house, under the guidance of cabinet, might take.

Thank you for the care you have taken in the presentation of your brief.

Mr. MAGILL: The Canadian Legion at their Saskatchewan convention, voted unanimously to support our brief and our resolution.

Mr. BENIDICKSON: They have already made some representations on your behalf to this committee this year.

Mr. MAGILL: Yes, I believe they did, but the resolution they made did not entirely agree with that which was presented to the convention.

The WITNESS: Thank you, Mr. Chairman, and thank you, gentlemen for hearing us. We trust when our brief comes before you for deliberation, you will think kindly of our service to Canada.

Applause.

The CHAIRMAN: The next order of business for this morning is the hearing of a presentation by the “Canadian Merchant Navy Veterans Association.”

Their brief will now be distributed to you and will be presented to the committee by Mr. A. J. Heide, who is the secretary-treasurer of the said Association.

There is one observation I would like to make to the committee. I believe it is likely that the bills which this committee reported to the committee of the whole, a week ago last Friday will come up today in the House of Commons.

I assume that the members of this committee would be as anxious as I am to be in the Chamber when the bills are being considered, so I have arranged that I shall be notified if the proceedings start down there, in which case, I will ask the committee to adjourn and we will arrange to permit Mr. Heide to conclude his presentation—if he has not concluded—at a later time today, sitting, if necessary, this evening, in order that he may not be detained.

These people have been brought here at our request; consequently we do not want to delay them unduly.

It is possible that we may be able to conclude our deliberations at the morning sitting, and if that happens we shall proceed through. When I receive notice that our bills are before the house, we shall adjourn.

I now call up Mr. Heide.

Mr. A. J. Heide, Secretary-Treasurer of the Canadian Merchant Navy Veterans Association, called.

The WITNESS: Mr. Chairman and gentlemen: I really do not think it is necessary for me to go over this brief clause by clause.

(Brief, see Appendix B)

Most of you sat in the house last year and took part in the deliberations in which we endeavoured to get some representation for the men who served in Canada as Merchant Navy seamen during the war.

I would like to point out to the committee, that, just as the navy is more or less called the senior service, so is the merchant-navy. In other words, you have given consideration to firefighters; you have given consideration to the ferry command; you have given consideration to the nurses, and to the legion war service and so on and you have more or less taken a kindly attitude towards them; but the fact still remains that long before those services ever came into existence, the merchant-navy has always been part and parcel of every war that was ever fought.

Many battles have been decided on the seas without ever a soldier being in them, without ever a land battle being fought.

We are not just the creation of the last war or of the next. We have existed for years. Likely we always will be in existence and the fact still remains that warfare will become more violent. In the last war we met the submarines a couple of miles off the shores of Canada, and the 'planes and submarines a couple of miles off the shores of Europe. The fact is that, in the next war, before we ever leave Halifax or leave New York, we will be under attack.

The Merchant-Navy Veterans of Canada would like this committee to make some recommendation: First of all; that we be considered on a little different basis than we have been considered in the past.

You relegated us into the class of the mail men who delivered the mail to you all during the war, the postmen and the customs men, who are purely of a civilian status, but it seems to us that we can prove that we suffered a higher ratio of loss than either the army, navy or air force and that somehow there should be some consideration given by your government to those men which

would put them into a category where they can, with every assurance, know that they have played a proper part in the defence of their country, and that the government has recognized the fact.

I would like to stress this point: that with our limited finances, and to a degree, with a limited amount of help, our organization—wherever we have gone in Canada—there has been no one, no organization of any kind, whether it be a Chamber of Commerce, or a Board of Trade, or a city council, or a woman's organization, or a property owners' association, or a financial organization—there has never been one organization which has not come to our defence.

I do not know where they are, but you must have hundreds and thousands of names, not from a single household, not from a woman who is busy with her household duties, but from business firms in Canada, or from boards of trade, which have unanimously, after looking into our case, agreed that we are deserving of more consideration than we have so far had.

It is not as though we were asking for what we consider anything out of place. We are asking to be allowed to take our rightful place in Canada's affairs.

Give those young boys a chance. You all perhaps know about the record of the merchant-navy. We were in two categories. We took the young boys who were too young for the other forces, and who were therefore under age, and we also took the older men who were over age. Many of them were veterans from the first world war.

Undoubtedly the services which they rendered to the country were something which they could not, at the moment, render in any other way.

These men were anxious to do something and that was the only avenue open to them.

Might I suggest, Mr. Chairman, that if these men are not to be rehabilitated in some manner, that you are going to have them as a problem on your hands in any event. In other words, they will be on relief rolls, and I think you will agree there is no worse enemy to a country than a man who is living off that country, and I think this was very well proved during the last depression.

You see them now, you pick up the papers yourself and you see where young boys of twenty-five, young seamen, having been arrested for one escapade or another. Just think, if they are of that age now, then they must have been merely youngsters when they served in the Merchant Marine.

We do not see that happen in the case of the army boy or the air force boy or the navy boy, because you are subsidizing them and you have them in the schools and in the colleges and your government is endeavouring to teach them a trade of some kind.

It would appear to us that the boy who went into the Merchant-Navy is no different at all from the boy across the street who went into the army, the navy or the air force, and that there should not be the distinction that there is at the present time between the Merchant-Navy and the other forces.

The matter of wages has always been a question which crops up. Actually, in the house last year, if you remember, the Minister of Transport expressed pride in the fact that the government had raised the wages of the merchant seamen from \$47—just think, \$47 in 1942 to \$134 in 1945.

One hundred and thirty-four dollars was the highest level of wages paid to them until the last three or four months of the war they went up a bit; they were raised gradually from \$47 to \$134.

If you consider the allowances made to married men in respect to their wives and children, I think \$37 and \$12 for each child and the fact that men in the other forces were fully clothed and were always given medical attention as well as optical; and in addition to that, they got trades pay as well; if a man were a carpenter or an electrician, he drew an addition to his wages and his allowance for his family. He drew trades pay. We have lots and lots of men who

desperately tried to get out of the Merchant-Navy because they knew they could make more money in the armed forces, actually drawing more money every month than they could draw in the Merchant-Navy, but they could not get out of the Merchant-Navy because they were frozen to the job.

I think it is recognized by all of you members who have looked into the question, that there was not an awful lot of difference in the matter of pay, at least, not enough difference even if there was some difference, not enough to justify no consideration being given to the rehabilitation of these men who served in the Canadian Merchant Navy.

Having gone over this thing so thoroughly last year, Mr. Chairman and gentlemen, I really do not think it is necessary to go over it clause by clause at this time. The problem is before you. All we are asking is to be given a chance, after the service we have rendered to this country, to take our place the same as the men who served in the other forces.

Give us an opportunity to establish ourselves in some sort of business, or give us access to the small land holdings, or even to the Veterans' Land Act for many of our men so that we may get the same as the other forces.

There are thousands of men across Canada who are driving taxis, or who are in the trucking business or in various other lines of business. I am sure we can do as well as they. We feel very keenly that we should be given the opportunity.

Certainly, whether you give us the opportunity, or whether you do not, you are not getting rid of us because we are still here. You will have to look after us in some way or other. We would much rather prefer that we be self-supporting than dependent, in any way or measure, on which you might call—perhaps relief is not a very good word—but that is about what it is.

You have a problem here which is a little different from the other forces, because you have two extreme categories; you have the very, very young, the youngsters, and you have the elderly men.

It is much harder for the men in the Merchant-Navy to make their way than it is for the men coming from the other forces, insofar as the men coming from the other forces are in the prime of life. They have youth, and they have their health with them, both of which the members of the Merchant-Navy have not.

If given an opportunity to re-establish themselves, I am sure you will find men who served in Canada with the Merchant-Navy during the war become just as good citizens as the ex-members of the forces.

I have with me this morning two newspaper editorials, one from Toronto and one from Montreal. I am sure, Mr. Chairman, you must have thousands of these editorials which have come to you and the Minister of Veterans Affairs and the Minister of Transport, from practically every leading newspaper in Canada urging this committee to give more consideration perhaps to the case of the Merchant-Navy veterans. I think that is about all I have to say.

The CHAIRMAN: Thank you, Mr. Heide.

You have heard the presentation made by Mr. Heide this morning, gentlemen, and you have in your hands the written brief to which he has spoken.

Does any member of the committee wish to further question Mr. Heide? If so, I am sure that he will be happy to answer you.

By Mr. Timmins:

Q. How many men are involved in the benefits you are asking about, and what benefits, if any, are they getting at the present time?—A. Mr. Chairman, it is very hard to say how many men are involved insofar as before the Manning Pool came into existence there was no registration; it was only when the Manning Pool came into existence that the men were registered, when they had to sign an agreement which committed them to serve so long as the war lasted.

Q. Is there any registration now?—A. No, there is not, sir. When the Manning Pool went out, that was the last of the registration, when the men reverted back to peace-time basis at that time.

Approximately 18,000 men went through the Merchant-Navy in one way or another. I think the highest registration in the Manning Pool was around 15,000, and so far as we can find out—and it is very hard to find out because the men would go out before the Pool came into existence, and some men might make two or three trips and then drop out because of hardships. So I would say about 3,000 passed through before the Manning Pool came into force, and I would say that 18,000 would be a fair estimate of the number.

By Mr. Skey:

Q. Have you any figures as to the number of casualties?—A. At the time of the war, during the battle of the Atlantic, there was no registration. Men just went down and they were gone. Sometimes it took even years to find out that they were lost until such time as the Manning Pool came into existence; there was no registration; the men sailed and were sunk when the boats went down. It was practically impossible.

We do know this, however, that the Department of Transport admits that the ratio of loss, so far as we can figure it out, in the Merchant-Navy was higher than in the other three forces.

The CHAIRMAN: Do you desire to ask something, Mr. Woods?

Mr. WOODS: Replying to the question asked by Mr. Timmins, with respect to information given to my department as to the number of men who served; considering the pool, the fact that the pool was the method of recruiting them, the strength of the pool during the last three years of the war was approximately 7,000 men.

The Department of Transport informs us that approximately 15,000 men will have received either the war service bonus or the special bonus. If that be so and if the witness is correct in suggesting that 3,000 served before the bonus came into effect, I presume it would make a total of approximately 18,000?

The WITNESS: That is what I would gather.

Mr. TIMMINS: Those are the two benefits which the Merchant-Navy would receive, the war service bonus and the special bonus.

Mr. WOODS: Yes. The war service bonus and the special bonus were comparable or should I say analagous, I presume, to our gratuity system.

They did not receive re-establishment credit. They receive vocational training provided they are pensioners. they also are eligible under the Veterans Land Act if they are pensioners; and they are eligible under the War Veterans Allowance Act.

A pension is payable to them in case of loss or in case of injury which arises from enemy action or counter action; and they are eligible under the Veterans Insurance Act, to which the committee recently made amendment, so that not only those who received the war service pension but also the special pension are made eligible.

They are not eligible under the Business and Professional Loans Act, and neither do they enjoy preference in the Civil Service.

They were eligible for reinstatement under the Civilian Employment Act, but they were not eligible for out of work benefits. That is the sum total, except that in the matter of the medical treatment, if they are pensioned, or already in receipt of medical treatment—that is the sum total of the benefits which they receive or do not receive.

Mr. BENEDICKSON: I take it that their bonus is connected with whether or not they are pensionable?

Mr. Woods: That is right.

Mr. BENIDICKSON: I notice that several of the benefits which Mr. Woods has spoken of are only payable if the Merchant Seaman was a pensioner. In the brief submitted to us it stated that out of 18,000 only 31 have received pensions. I wonder if the verified figure could be given to us by the Chairman of the Pension Commission?

BRIGADIER MELVILLE: I have no information as to the number who served beyond that which has been given by the witness.

With regard to the brief, the only application received by the commission is as follows: 45 married seamen were granted entitlements.

Twenty-two married seamen have been accorded entitlement and the award which they received from some other country, an ally, is supplemented.

One sole water fisherman is a pensioner.

A total of 66 pensions for disability are in effect under Part I of the Civilians War Pension and Allowances Act.

One hundred and fifteen applications have not been granted any disability.

With respect to death, that is, for dependents, a total of 490 favourable decisions have been granted by the commission and 209 unfavourable decisions. Does that answer your question, Mr. Benidickson?

Mr. BENIDICKSON: Yes, sir.

The CHAIRMAN: With respect to those unfavourable decisions and in the case of death, was any number, and if so how many of them, denied because the application was not made within the prescribed time?

BRIGADIER MELVILLE: I have not the actual figures, but I can state definitely that some applications from dependents have been refused because the application was not made within one year.

The CHAIRMAN: Mr. Isnor.

By Mr. Isnor:

Q. I would like to ask one question of Mr. Woods in regard to the Civil Service entitlement. I understand that there is one special clause that if they served in the Merchant Marine and on a ship which carried a gun and was approved then they were entitled to Civil Service entitlement or the preference. Is that so?

Mr. Woods: I am not aware of any preference having been given except where a member of the Merchant Marine was enrolled as a temporary naval rating.

Mr. ISNOR: I was not interviewed by the witness today and I hold no brief. Coming from Halifax, I feel that I should express the views that are held by me in connection with the members of the Merchant Marine.

I speak in this manner because in the very early stages of the war, we in Halifax saw the ships being formed into convoys and sailing from Halifax at the rate of about fifteen ships every four minutes, going out of the harbour. Some of these convoys took as long as from four to five hours. Sometimes these convoys would include from 60 to 100 ships. We realized the danger which awaited the members of the Merchant Marine in carrying out their duties. It is unfortunate that we did not have an enrolment at the time, covering the total number of merchant seamen whether they numbered 7,000, 15,000 or 18,000.

I am not going to deal with the wages paid, commencing at \$47 and gradually increased to \$134 in 1945, but I am going to put before the members of the committee the social problem. You may say, Mr. Chairman and members of the committee, if you are going to deal with it from a social standpoint it is not a problem of ours. I say you have dealt with rehabilitation affecting other

members of the forces. I feel that, on the same grounds, you should give favourable consideration to the rehabilitation of the members of the Merchant Marine. I saw some very distressing cases in Halifax. No one who witnessed the pictures shown in the railway committee room last year showing ships which were almost blown to pieces brought back to the port of Halifax for repairs, could help but realize every member of the Merchant Marine was in danger when he left the port of Halifax or any other port. I am referring to the port of Halifax particularly because we saw these things.

The CHAIRMAN: I am sorry to interrupt you, Mr. Isnor, but the committee has before it this morning other witnesses. I am in sympathy with you, but the committee had decided we would hear evidence and then meet in camera to resolve our opinions in the form of resolutions. While I am interested and the committee is interested in your views on the matter, I thought when you rose a moment ago you meant to make some statement or draw some inference. I think we had better stick to business and not permit a general discussion. We should give every member of the committee an opportunity of getting information while the witnesses are here. Then, we will go into camera and you can more properly present your argument to the members of the committee who will make a decision.

Mr. ISNOR: May I say that I do not want to depart from the procedure which you have established. As you know, I have been a fairly regular attendant but have refrained from taking part in certain matters since I felt other members were, perhaps, more versed and more ready to take an active part. I certainly do want to express my views later.

In concluding, may I say I am very sorry to have taken what would appear to be an advantage of the other members, but there was no such thought in my mind.

Mr. GAUTHIER: I should like to mention the one year clause referred to by the chairman of the commission and Mr. Woods. This clause has been working against the families of hundreds of seamen who have disappeared during the war. There is a specific case in my county of 17 men disappearing during the war. Fifteen of them were working on the boats carrying bauxite from South America to Port Alfred in Mr. Dion's district. The other two were in the city of Kingston and Vancouver. We were waiting for the Department of Transport to tell us whether these men were declared lost or dead. We could not get an answer within one year, so this clause has been working against the families of those who have disappeared. Since we could not get an answer, I believe this clause is not fair.

The CHAIRMAN: Mr. Gauthier, again I must say the same thing. I cannot tell, gentlemen, when you start a discussion whether or not you are going to state something as a matter of fact and then ask the witness whether it is true or false. I have to listen for a minute or two in order to ascertain that fact. I hope the committee will co-operate with me in conducting our business this way.

I fully realize everyone can begin with a statement or two and do it with the best of intentions. I was, perhaps, guilty of that a moment ago in asking a question. We do not do it intentionally. However, may I urge upon you that we take the fullest advantage of the fact the witnesses are here.

By Mr. Gauthier:

Q. Has anything been done about this clause in connection with those who have disappeared?—A. No, the one year clause is still in effect. I think the deputy minister of Veterans Affairs could tell you he has had some really heartrending cases.

We had a case last year. The parents were around 80 years of age and had lost a son in 1942. At that time, they had not any need of a pension. Four years later they found themselves in adverse circumstances and applied for the dependents' pension. The board told them plainly they had not applied within one year and nothing could be done about it. The pensions' board is not at fault, it is the fault of the legislation.

By Mr. Timmins:

Q. Would the witness tell us how many cases he has had during the last year of that sort?—A. In so far as the Merchant Navy veterans are concerned, between our offices in Toronto, Winnipeg, Montreal and Vancouver where we are active, I would say we have had several hundred at least.

Mr. CROLL: How many did you say?

Mr. MELVILLE: The actual number is 209 from dependence for all causes. Many have been turned down because they were not in a dependent condition. Very definitely, there have been applications; some very tragic ones. There have been applications from parents who have lost sons and have applied for a pension, but the application was not received in time.

There is one case concerning a mother who would not give up hope her son was alive. She was even notified of the one year ruling. She went down year after year and refused to give up hope her son would return.

Mr. GAUTHIER: That is because the Department of Transport will not say whether these fellows are lost or not, even after four years has elapsed.

The CHAIRMAN: Gentlemen, we will have a chance to pass a resolution recommending a change in this clause or doing anything we like with it. While I am in sympathy with your earnestness and your anxiety to do something, please let us take advantage of the fact we have this witness here whom we have brought here in order to find out what he knows.

By Mr. Quelch:

Q. I should like to ask a question regarding how the section applied in respect of pensions. I understand the insurance principle does not apply to merchant seamen unless the disability arises out of enemy action. I wonder if the witness could say how that has been interpreted? For instance, if a ship were travelling in the dark and collided with an object, would that be considered enemy action? Suppose a man were disabled as a result of that collision, would he be pensionable?—A. It has been very hard to establish these things. May I relate a personal experience? I had a brother serving on a ship. This ship was docked at Plymouth. The orders were that when there was an air raid in town the men were to return to the ship in case there was a fire and the ship had to be cast loose. It was night and there had been a snowstorm in the afternoon. The snow had frozen and become a thin coating of ice. There were 12 inch planks laid down for a person to go aboard the ship. He slipped, shot forward, struck his head and stunned himself. He fell between the ship and the dock. There was a total black-out and before they could find him he was drowned. The Department of Transport refused to recognize that as enemy action. In other words, his widow and two children never got a dime.

I know of another case. A man came up to my office in Vancouver a little while ago. He is totally paralyzed on one side. He fell on his ship, but I forget the exact circumstances. In any event there was an accident and he fell. He went to the shipping company and they offered him \$500 as a settlement for this injury. He refused to accept it. He communicated with the Department of Transport and they told him there was nothing he could do. The only thing he could do was sue if he could prove negligence on the part of the shipping

company. It is the hardest thing in the world to establish negligence on board a ship. You cannot prove whether it was a grease spot you hit or what it was. He went to talk to the company again and they told him in view of the fact he had been more or less militant in his approach they were not even prepared to give him the \$500. He could take \$200 or nothing.

I should like to draw the attention of the committee to the fact that the chairman of the Pension Board mentioned a number of cases which were turned down.

By Mr. Isnor:

Q. What was the final settlement in the case to which you referred?—A. He took the \$200. There are many cases which have never come to the attention of the Pensions Board. The chairman of the Pensions Board does not know about hundreds of cases. These people have written to the Minister of Transport and have been told by the Department of Transport there is no legislation covering them. The matter was just dropped. A few of these people were more aggressive, went over the head of the Department of Transport and applied to the Pension Board. They were turned down. Hundreds of them wrote to the Department of Transport. They got a letter from the Department of Transport saying, "there simply is no legislation for you; it is foolish for you to proceed and waste your time". They just dropped their case and never wrote to the Pension Board.

By Mr. Dickey:

Q. I wonder if Mr. Heide could tell us if he has any knowledge of any reliable existing record of the service of merchant seamen before the manning pools came into operation which would make it administratively possible to consider the service of merchant seamen for the purpose of such acts as vocational training?—A. I would imagine the men will come forward. I imagine they will because I think they are quite anxious to re-establish themselves. However, the log book of every ship is always available. If you remember there was quite a discussion on this in the House last year. In the first place the Minister of Transport brought up the question of it being practically impossible to establish injuries and cases that might be pensionable. However, by some adroit questioning on the part of some of the members of the House he was drawn out and gave the information to the House that every shipping company did have log books of the ships unless they went down somewhere. That might be possible, but even if a ship was sunk and the log book went down with it there is sufficient information that can be gathered in various ports where that ship may have touched. In other words, if a man was injured he was treated medically by some doctor.

By the Chairman:

Q. May I interrupt because I think you are repeating yourself and I do not think you are getting the point. Many of these benefits for which you ask depend upon month by month records over the period of the length of service. Mr. Dickey's question was provided these men were in before manning pool operations is it feasible to establish that they had X number of months service on the high seas and therefore would be entitled to X number in relation to benefits. It is perfectly clear to me, and I assume it is perfectly clear generally, that if a log book does exist it is establishable how long he served on any given ship. Therefore your answer to that is "yes", as I take it. Your answer to

Mr. Dickey's question is that in your opinion that is determinable from the log of the ship or from the records of the shipping company. I gather there might be some exception in the case of a ship that was lost. Is that really what you are saying?—A. Yes.

Q. A good deal of the rest of it is irrelevant to that question, and that is what I want to get answered.—A. Yes. He would also have his discharge book.

Q. Which would show different periods of service?—A. Yes.

Q. I think that answers it.

By Mr. Pearkes:

Q. I have three questions I should like to ask. In order that we may assess the numbers to become re-established in the merchant service now can the witness say how many men are employed in Canada's merchant marine now, and how many of these 18,000 men would have an opportunity of carrying on in their own profession if they had taken the course which was offered to them? Can you give any idea of the size of the merchant marine today?—A. I think at the present time union registration runs about 4,000. I would say that would be the maximum.

Q. Then roughly speaking there would be 10,000 who served in the war and would not have an opportunity of serving in the merchant marine in peace time?—A. That is true, sir.

Q. Then the next question I want to ask is quite different. Are there any benevolent societies which look after the welfare of seamen, which might be comparable to the army benevolent fund, and which would have money to help out distress cases? For instance, is there a branch of the King George's Fund for Seamen in Canada?—A. Mr. Chairman, there are institutions like the British Sailors' Institute, the Catholic Seamen's Institute and several others. We do not look upon them very kindly because of the fact they simply do not solve the problem. It is all right to go there and get a meal if you are hungry. They will give you a ticket for a 30 cent or 40 cent meal. They will give you a bed, and they have some dog-eared magazines lying around you can read, but they do not re-establish or rehabilitate us. They are strictly charity, and many of us do not like the idea of charity. We do not feel we are deserving to be considered as charity cases. These institutions were all right 100 years ago, but in the present economic system that we try to establish in Canada we become more and more convinced continually year after year that these institutions are not serving the purpose for the rehabilitation of men of the merchant navy.

Q. My last question is have there been various cut-off dates by which application had to be made for the special bonus?—A. Yes. I think they were extended twice. The last was March, 1947. They put a limit on it of March 31, but even at that there was a great deal of laxity on the part of the Department of Transport in informing our members as to the benefits we had whereas in the case of the soldier even before he came back from the old country you gave him literature, the air force man, the soldier and the navy man, while they were overseas, telling them of the benefits they had. No such information was given by the Department of Transport to inform our members as to the benefits they had.

By Mr. Croll:

Q. How did they inform them?—A. There was no information of any kind. The men found out one way or another. I had a man in the Montreal office a couple of weeks ago who served in the Caribbean on what they call rescue

ships. He never got back to Canada for over two years and when he came back he found he was cut off. He had never even heard about the 10 per cent bonus. He had never been anywhere where he could get any such information.

Mr. MOORE: I have a question I should like to ask.

The CHAIRMAN: Would you raise your voice?

Mr. MOORE: The question I have to ask should be directed either to Brigadier Melville or Mr. Woods. When we were discussing the Canadian Pension Act reference was made several times to the British Pension Act. I noticed in the paper the other day the British lost 40,000 men in the merchant marine. Obviously there must be a large number of dependents. I should like to know if the Canadian Pension Commission have studied the benefits which the British Pension Act gives to the British merchant marine and compared them with the benefits that our merchant navy men get.

Mr. MELVILLE: Canadian legislation in favour of merchant seamen is patterned very closely on that which exists in Great Britain and is in no way inferior to it.

By Mr. Timmins:

Q. I want to ask two or three questions arising out of what the witness said a moment ago. He said that union registration in Canada was about 4,000. I wanted to ask him if there are other merchant seamen who are not connected with any union and if so what their number would be. Would he also tell us something about the Canadian Merchant Navy Veterans Association? Is it made up of individual members or groups in various cities throughout Canada? How does it get its support, just from the ordinary membership, or do the unions support it financially? Just how is it made up?—A. I will be very glad to answer that. We are strictly separate from the union, not that members of the organization are not in favour of unions because we are, but we are not quite in favour, at least, those of us on the executive, of the type of unionism which prevails among seamen at the present time.

Q. How do you get your support?—A. We get our support from the public, both financially and morally. In this campaign we have conducted in the last two years, very close to two years now, we just started out and we went to the various people, told them what we had in mind, asked them if they were in favour of establishing a veterans' organization among seamen, something similar to the Legion or army and navy veterans. We felt both of those organizations had done an admirable job in combating radicalism among ex-members of the other forces, and time had proven they were not able to cope with the situation amongst the seamen. They seemed to be sort of a race apart, as it were.

Last year we asked the Department of State if they would grant us a charter under part 2 of the Company's Act as a non-profit organization, exactly the same part of the legislation under which the Legion is chartered and the army and navy veterans. After due consideration, in which I believe the Secretary of State looked into us very closely, he decided after reviewing the circumstances that perhaps there was room for an organization. Our membership is confined to men who served in dangerous waters during the war. We are not interested at all in the men who served on the Great Lakes during the war. It is strictly confined to men who sailed on the high seas. Financial support has come from business firms who felt we were entitled to some consideration, and they were willing to give us money to go across Canada and get moral support. I do not know whether the Minister of Veterans Affairs has given you all the petitions from the various boards of trade.

The CHAIRMAN: I can assure you they are all tabled with the committee. I think they are here. I have seen them all in any case, and the secretary of the committee has them available for our deliberations.

By Mr. Timmins:

Q. What would be your membership?—A. At the present time it is a little better than 700.

Mr. SKEY: I have one question. I know how difficult it is for the witness to estimate numbers and large groups and so on, but perhaps the deputy minister or Brigadier Melville can give us some idea of what the breakdown would be between old and young veterans?

The CHAIRMAN: Breaking it at 35?

Mr. SKEY: Well, I am thinking of the very young ones. I noticed three times in this brief references similar to those that the witness suggests; and I think—especially in view of what has been going on in the house now—that we should seriously think about this. So I ask you if you can give us any approximate figure as a breakdown between the very young and the very old veterans, or how many very youthful veterans were there among those 15,000 to 18,000.

Mr. WOODS: The last information available from the Department of Transport—I suggest that I be permitted to furnish to you when this committee is considering the matter.

Mr. LENNARD: It is now one o'clock, Mr. Chairman.

Mr. BRYCE: The witness in his report mentions prisoners of war paying income tax while they were prisoners of war. May I ask if that was a general thing or an exceptional happening?

The WITNESS: No, we all paid income tax all through the war on our earnings. Every man in the Merchant Navy paid income tax.

Mr. LENNARD: That means that the man who was a prisoner of war for a number of years, and whose wages accumulated here—would pay income tax at one time for the whole three or four years?

The WITNESS: No, he would pay each year.

The CHAIRMAN: It was not cumulative.

Ordinarily sitting at 11.30, we would have the morning sittings and sit through until 1.30, but in view of the fact that we all want to be in the house this afternoon, I suggest that we conclude our questioning of Mr. Heide at this time, but in any event I **am** in the hands of the committee.

We have arranged for a hearing from the National Association of the Soldiers Settlement Board on the 17th, and for a courtesy hearing of the Hong Kong veterans who have decided to come on the same date. That will conclude our official hearings.

The members of the committee have desired that, before we finally report, we should have an opportunity as a committee for a discussion without witnesses, with respect to the Veterans Land Act. So I am serving notice now that when we discuss the Soldiers Settlement Board, it will be the Soldiers Settlement Board only and we will reserve our recognition of the Veterans Land Act, and that will be the last meeting of the committee.

If possible, depending on what happens in the house, and if it is practical, and if you approve, we will have a discussion in the afternoon of the 17th, and the following Tuesday, the 22nd, we will meet and thrash out our final report. That is carrying us down perilously close to what we hope will be the end of the session, but I wanted to get that clear to you.

There are no further witnesses to be heard beyond those which I have indicated.

Someone asked a question whether or not we could have a discussion in camera with respect to certain recommendations made by the Canadian Legion and the National Council and with respect to other matters not relative to the legislation we have been considering and about which we have not made a resolution.

I would make it perfectly clear that any of those points which you desire to raise may be taken up in the discussion.

Our last public meeting, gentlemen, will be—unless something unforeseen happens—on the 17th, and then we will have two sessions on the 22nd and we shall continue to sit until we finish our work. I would ask the steering committee to meet with me between now and then and to indicate so far as they are able to indicate, the points that will be under discussion.

In the camera meetings, I would like to have the views of the committee. I think it will be most helpful to us. We won't have the press or Hansard at those camera meetings; but I would like to have all the officers whose departments are likely to be involved in the questions or the answers to the questions, present.

Carried.

Mr. SKEY: Before you conclude this matter of administration and the matter of operation, could we not hold some meetings between today and the 17th on those briefs that we have already heard so that we won't be packing everything into the 21st and 22nd. Could we not hold some in camera meetings now or between now and the 17th to get some of this out of the way.

The CHAIRMAN: The 17th is a Thursday. We have never held meetings on Wednesday in the past in view of the fact that nearly every Wednesday some party held a caucus and I have always had protests, but I will look into the possibility of holding an afternoon or evening session and if possible I shall have the clerk send a notice to you; and in that case, if we have a meeting tomorrow, we will clear the decks. Perhaps the steering committee could act as a sort of special committee of the whole in order to draft a preliminary report.

Brigadier MELVILLE: Might I ask Mr. Heide this question? He mentioned the case of his brother and of his very tragic death which occurred in Portsmouth Harbour. Was his brother a Canadian national and was the decision refusing entitlement the decision of the Canadian Pension Board?

The WITNESS: No. I am inclined to think that it was not. I was away for about a year at the time, but I think his widow wrote to the Department of Transport and they advised her that she also was not pensionable. I do not think the case got to your board at all, sir.

Brigadier MELVILLE: I think there is a remark on page 3 of the brief which I am quite sure Mr. Heide himself would like to see corrected because I believe it arises from misunderstanding.

On page 3, the second item, entitled section 12, refers to the fact that awards of pensions are cut.

Now, that arises from a very definite misunderstanding. The point is this: that when an award of pension is made, that award of pension is subject to deduction on account of an award which may be made by an allied country with

which the seaman served. Mr. Heide speaks about someone serving with the French forces. If the original award was made by the French government and it was agreed that supplementations was in order, we would supplement that award so that the combined award which the merchant seaman received would be exactly the same as that paid to Canadians and exactly the same as that paid anyone who served with the forces of His Majesty's or His Majesty's allies during the war in the navy, army or air force.

The WITNESS: Mr. Chairman, could I ask Mr. Melville this; is he convinced there is no Canadian seaman drawing a smaller pension than the maximum Canadian pension?

Mr. MELVILLE: If the merchant seaman establishes his right to an award and does receive an award from any of His Majesty's allies, then that award would be supplemented to the Canadian rate. There is no cut. There is no reduction made. I wish to make that very clear. The sum total of the two awards would be exactly the same in all cases.

The CHAIRMAN: Are there any further questions, gentlemen? If there are no further questions, then I wish, on behalf of the committee, to thank you for coming here and making such a clear presentation, Mr. Heide. The manner of your presentation has been very helpful. I assure you the committee will consider your brief and you will be notified as soon as a decision is made.

The WITNESS: Thank you, Mr. Chairman and gentlemen.

The committee adjourned.

APPENDIX A

When the Dominion Government published the Acts granting War Gratuities, Rehabilitation Grants, Post War Credits, and all the Legislation covering Armed Forces Rehabilitation, members of the Canadian Corps of Fire Fighters in Great Britain took it for granted that they too would be included in all such benefits. Very soon, however, it was learned that we had been completely overlooked, and absolutely nothing had been planned for our future. It was with extreme disappointment, and grave concern, that the Fire Fighters received the news that we had been completely ignored; and we felt that we had every right to feel such bitter disappointment.

Had we not every right to expect such treatment and benefits in post war days as men of the other services? Certainly we expressed our willingness to accept such treatment for the duration of the war when we volunteered, first: to go to the United Kingdom and aid in the defence of Britain, and secondly: in the Spring of 1944, to go anywhere on any battlefield to assist the Liberation Armies. We volunteered to do a job as necessary and as hazardous as any service. There never could have been an offensive without a defensive. The Canadian Corps of Fire Fighters were a part of that defence, in the cities considered the most important in Britain to defend, for it was from there our offensive began.

In volunteering to do the job we were best equipped for, men from Canadian Fire Departments answered the call of the Dominion Government, and accepted the Dominion Government's terms without question, just as volunteers in any other service. We offered our lives if necessary, our limbs and our health. Our term of duty was for the War's duration, or as long as required, just as the Armed Forces. We accepted comparable ranks and pay; the same allowances for our wives and families; we received the same treatment insofar as medical examinations, medical care, pensions, discipline, clothing, feeding, travel, respect, right down to the smaller items such as carrying Canadian Army cards photographed and finger-printed by the Canadian Army, and receiving similar discharge certificates on discharge.

Throughout our service, we accepted all the bitterness of war, along with the other services; in peace time we were to be completely ignored and denied the benefits received by those other services.

Why had we been denied such rights and privileges?

Why had we been overlooked or ignored?

These were the questions we all asked, asked of every individual who might have had an answer. But there were no real answers. Everyone agreed that we should receive all the good, as willingly as we had accepted the bad.

The Dominion Government's denial of fairness and justice to the Fire Fighters, not only evoked bitter disappointment in us, but also the firmness of mind to work and to fight, until our post war lot is on a completely equal footing with that of the Armed Forces; until we too receive the recognition we honestly believe we earned when we left our homes, our wives and families, our jobs, and the safety of peace and plenty in Canada, and accepted the heart-aches, the loneliness and all the hazards and bitterness of war.

With that determination of purpose for justice and fairness, the members of the Canadian Corps of Fire Fighters began to organize in Great Britain. The Canadian Legion were contacted and immediately went to work for us. Our Corps Headquarters in London did likewise, and we formed our own Committee and collected contributions from our members to assist. But at that time all our own efforts had to be confined to enquiries.

Our first attempts at gaining satisfaction were made in Ottawa by a Fire Fighter returned to Canada on medical grounds. He had the sanction of the Fire Fighters overseas to represent us in attempting to gather all the information possible for our enlightenment. No concrete satisfaction was gained, but various opinions were all in our favour.

After the first suggestion by the Dominion Government that the Corps be repatriated, Britain's Home Office requested we be retained for further eventualities, and clearly indicated the high regard which they had for the efficiency and competence of the Canadians.

In October, 1944, it was finally decided to return personnel to Canada for Discharge. When these drafts of men began arriving in Ottawa early in 1945, various and numerous enquiries were made; but it was intimated by our headquarters in Ottawa that our rehabilitation program was being taken care of, and that the prospects of satisfaction seemed excellent. There was still no concrete information available.

On arrival of Corps members in our various home towns—discharged—we were free to contact Members of Parliament, and any person or persons who may be able to assist or advise us in our fight. And although it was felt, and still is, that the necessity to fight for justice to Corps members was contrary to our sense of fairness, fight we must, to gain the recognition we have earned.

Isolated efforts were made in various cities across Canada. The information and advice obtained was passed from individual to individual until a co-ordinated program and committee were set up. Many Legion Branches and Provincial Canadian Legion Conventions and other concerned organizations across Canada, passed resolutions requesting the Dominion Government to recognize the Canadian Corps of Fire Fighters just as they did the other services. Public opinion has been strongly with us; but we have not made it a public issue as yet.

Information garnered from Members of Parliament, and Ministers, during and just after the final Session of the recent Government, led ex-members of the Corps to believe that we were to be treated on practically the same basis as the other Forces. It was, therefore, with further extreme disappointment that we received Order in Council P.C. 3229. P.C. 3229 does not grant the Fire Fighters nearly the rehabilitation terms of the other forces. This, added to the fact that members have not been issued with discharge buttons, or authorized to wear any ribbons, or any evidence of service, added weight to the need of our determination to carry on our fight.

An especially designed discharge button for the Fire Fighters was later received by ex-members of the Corps in July, 1945, in some cases six months after discharge. This, however, does not give us complete recognition or satisfaction, although it is a step in that direction.

We are convinced that our service merited Canada's complete satisfaction in her Fire Fighters. In attempting to do more than was first asked of us, and to do as complete a job as possible for Canada's War Effort, we further offered our services anywhere in the world, on any battle front. One hundred men spent four and a half months taking specialized training to go to the Continent with the Invasion Forces. We were attached to the British 21st Army, with their Army personnel as Liaison Officers. We expected to cross the Channel daily, but our chance never came, and it was with keen disappointment and regret that our Overseas Contingent was finally disbanded before we could go farther and do more.

Could we have done more or tried harder to complete all the service possible for Canada in her fight for Freedom? Why, therefore, should we not expect Canada's treatment of us to be just as complete? Why should Canada deny us the rights and privileges they have offered other services?

It has been suggested that possibly the word "Civilian" in our title has been responsible for the half measures adopted in our post war recognition and rehabilitation. The word "Civilian" was detested by all ranks, but we weren't concerned over a name; our job was deemed far more important than any word. The word "Civilian" did not reduce our term of service, or sense of duty. It did not increase our pay or eliminate German bombings, or machine gun straffing, or any of the discipline, the bitterness, or the hazards of war. Now it seems just a handy word to use to deny us our post war benefits.

It has also been suggested that the Fire Fighter does not need total rehabilitation benefits as he never has been completely separated from his occupation. There are thousands of men in all services, in Canada and abroad, who likewise continued at their trades and professions. This has added to the competence of all services. It enabled the Canadian Government to send an efficient body of Fire Fighters to England without months of delay spent in training.

Even though ours was a small corps, it was necessary to maintain a headquarters staff in Canada. The men chosen for this job were forced to remain at their desks (against their own will, I might add). Now it appears that they have been left out of all benefits, with the exception of discharge badges. This, to our democratic mind, is decidedly unfair.

We have been led to believe that one of the reasons that we have been left out of so many benefits is that our corps consisted of all professional firemen. This is indeed a fallacy. We would not be far out in venturing a guess that at least 35 per cent do not come under said class. It is true that some of these members have been readily absorbed in Canadian Fire Departments, but their positions are rather doubtful as many municipalities have passed laws saying that only veterans may hold civil positions permanently, and as yet we are not classed as veterans. Is it any wonder these members feel rather bitter? A small number of our members were students who spent their leisure time taking legion courses in the hope that if they worked hard they would benefit by the splendid benefits of the rehabilitation plan for vocational training. They have since learned that such is not the case.

Another reason for our exclusion, we have been told, is that we did not carry arms. We are of the opinion that our hose, branches and equipment should be classed as "arms". True, they would not kill the enemy but they were successful in "killing" his efforts to burn the British Isles. It once appeared in the Canadian papers that we might be issued with Bren guns for our trucks. (I believe this was after some of our boys had been straffed by a German plane.) Our members were eager for the day when this might happen but nothing came of it, and we were disappointed. Surely no one would deny that incendiaries and flame-throwers are valuable weapons of modern war? Then why should they say the Fire Fighter, with his equipment, is not "armed"?

Although we were not separated from our profession, we were completely separated from our homes, our families, and our country, doing our job at the request of the British Government to our Government. Can it be possible anyone could suggest that we do not need, or have not earned, the same respect and benefits the Dominion Government have granted other volunteers, and other personnel who have seen Active Service in her Forces?

Because of our completed job, because of our services and our sacrifices for Canada, we, the ex-members of the Canadian Corps of Fire Fighters, are requesting that the Dominion Government inaugurate legislation granting us recognition as the Fourth Branch of the Services—the term unofficially used by such officials as General LaFleche and the Right Honourable Vincent Massey in reference to us—complete with all rights and privileges, now, and in future legislation, concerning Canada's War Veterans.

REHABILITATION BENEFITS AND GRATUITIES, GRANTED TO MEMBERS OF THE ARMED FORCES, SHOWING COMPARISON TO COVERAGE OF CORPS PERSONNEL

ARMED FORCES

CORPS PERSONNEL

Clothing Allowance

Granted \$100 Civilian Clothing Allowance on discharge, effective August 1, 1944.

Same benefit

Transportation

Entitled to free transportation to home, with travelling expenses, after discharge.

Same benefit

Compulsory Re-employment

Entitled to be reinstated in former employment after discharge.

Same benefit

Transportation to Canada of Wives and Dependents

Provision is made for the transportation of the wives and dependents to Canada of members who married overseas. Free transportation and travelling expenses are given to the member's home.

Same benefit

Pensions

Pension granted in case of death, and any disability arising or aggravated during service if overseas, and any disability arising as a direct result of service is pensionable regardless of where the applicant served.

Same benefit

Medical Treatment

(a) For conditions which are related to service, free treatment and hospitalization with allowances.

Same benefit

(b) For conditions not related to service, free treatment and hospitalization with allowances for one year after discharge.

Not entitled to this benefit

Rehabilitation Grant

Entitled to 30 days' pay and dependents' allowance, having served at least 183 days.

Same benefit, if member served overseas

Veteran's Insurance Act

Except under certain circumstances, ex-servicemen may purchase up to \$10,000 Life Insurance without a medical examination. Application to be made within three years after discharge.

Same benefit, if member served overseas

ARMED FORCES

CORPS PERSONNEL

Veterans' Land Act

Subject to reasonable conditions, this act provides for loans up to \$6,000, the maximum for land and improvements is \$4,800, for livestock and equipment, \$1,200.

(a) Full-time farming.

(b) Small holding (coupled with industrial or other employment).

(c) Small holding (coupled with commercial fishing).

Only members who are in receipt of a pension and with overseas service, benefit under this act

Vocational and Technical Training

Granted to all discharged persons who have no trade or need a brush-up course in their trade. Maintenance benefits may be paid during such training, for both married and single men.

Only members who are in receipt of a pension and with overseas service, benefit under this training

War Service Grants Act

(1) \$7.50 for every 30 days service in western hemisphere.

(2) \$15.00 for every 30 days service overseas.

(3) 7 days pay and allowances (including dependents' allowance and subsistence allowance at standard rates payable in Canada), for every 6 months service overseas.

(4) A re-establishment credit, equal to the sum of (1) and (2) which may be used for certain purposes.

Entitled to only \$15.00 for every 30 days service overseas

Unemployment Insurance

If employed 15 weeks and having made the contributions required in insurable employment, to be credited with the time spent in the Forces since July 1, 1944, without making contributions to the Fund. July 1, 1944, is the date this act became law.

Not entitled to this benefit.

Out-of-work Benefits

Benefits similar to the Unemployment Insurance benefits are payable to discharged persons who are capable of employment but for whom no work is available, for a maximum period of 12 months.

Not entitled to this benefit

Temporarily Incapacitated

Benefits similar to those payable under the preceding paragraph may be paid to discharged persons who are temporarily incapacitated.

Not entitled to this benefit

Farmers and Others Awaiting Returns

Benefits similar to out-of-work benefits and subject to similar limitations may be paid to those engaged in farming or other business on their own account while awaiting returns from their enterprise.

Not entitled to this benefit

ARMED FORCES

CORPS PERSONNEL

Educational Benefits

Maintenance benefits and student fees may be paid to those who resume education which was interrupted by their enlistment. The period for which benefits may be paid is determined by the length of service of the student.

Not entitled to this benefit

Post-graduate Courses

Post-graduate courses may be given with maintenance, in approved cases.

Not entitled to this benefit

Preference in Employment

Preference in employment is provided in all war contracts to those who have served in the Forces.

Not entitled to this benefit

Civil Service Act

Preference in employment is provided in the Dominion Civil Service on the same basis as that applying to ex-members of the C.E.F.

Not entitled to this benefit

Veterans' Allowance Act

If a veteran attains the age of 65, or in the opinion of the board, is incapable of maintaining himself, or is permanently unemployable, an allowance may be paid up to \$50 per month for a married man and \$25 per month for a single man.

Not entitled to this benefit

Dependents' Board of Trustees

Special assistance is provided under P.C. 18 January, 1942, to the dependents of members serving in the armed forces. Financial assistance may be given, after investigation, in special cases of hardship or to meet emergencies that cannot be met in full by the dependents or members of her household.

Not entitled to this benefit

In our brief presented to the Veterans Committee, no mention has been made regarding income tax. This was not an oversight, but was due to the fact that we were under the impression that we were covered in that respect the same as the armed forces. From talks with Major-General LaFleche on Parliament Hill in 1942, it was taken for granted when he said, "We would be looked after in a like manner to the armed forces", that he meant we would be exempt from taxation just like the other forces. (It was during these speeches that both he and the Governor General called us the fourth arm of the services.)

We volunteered at the time when National Defence Tax was being deducted at the source. None, however, was deducted from ours. The same thing applied when Income Tax deductions were made at the source. If we were to have been taxed, the Government as our employer erred badly in not deducting said tax. Those who had paid National Defence Tax for the early part of 1942 received rebates from the Government.

If we had been informed that the personnel of the Corps were to be taxed, the Government would never have had the desired number of professional fire

fighters needed for the formation of such a Corps. We would have enlisted in the other forces, at higher rates of pay probably, with less risk, better privileges and tax free, in the seclusion of our beloved Canada.

American newspapers have stated that it cost \$20,000 to train fire fighters for the American army. Probably the same could be said of the fire fighting services in our own forces. The cost to the Canadian people was little, if anything, to train our Corps.

The amount concerned, while it means nothing to the Government, would create hardships for years to come, to the members of the Corps of Canadian Fire Fighters and their families.

APPENDIX "B"

CANADIAN MERCHANT NAVY VETERANS ASSOCIATION

Offices: 603 Hastings West,
Vancouver, B.C.

Roome 2, 9 Toronto Street,
Toronto, Ontario.

Room 4, 369 St. Catherine West,
Montreal, Quebec.

Mr. Chairman and Gentlemen,
Special Committee on Veterans' Affairs,
House of Commons, Ottawa, Canada.

We shall try to keep this brief as brief as possible. All of your members, Mr. Chairman, heard the discussions in the House last year—many advocated the measures we are now asking this Committee to recommend to Parliament. The men on whose behalf this brief is submitted are those who served in either World War—dangerous waters.

The mass of evidence in favor of the representations we are making is overwhelming. You have before you the signatures of thousands of responsible business firms and business men from nearly all parts of Canada; you have also hundreds of letters from Boards of Trade, Chambers of Commerce, Legions, City Councils, Mayors, Liberal and Progressive Conservative and C.C.F. organizations, Property Owners Associations, Women's Clubs, Labour Councils and Federations, and many other bodies. Wherever this Association sought support to its claim, the response has been unanimously in favour of the representations here made.

We sincerely hope two subjects will not again clutter up the discussions of our case. FIRST, the "red herring" of wages and the second that we were volunteers or that we could come and go as we liked. In the matter of wages, we hope the Committee will remember the \$47.07 paid the men in the Merchant Navy in 1942, and not only the \$134.00 in 1945—and that to the highest paid man in the ranks! As to the second, once and for all let us remember the Manning Pool agreement, which read "For two years or the duration of the war, whichever may be the greater". In other words, were the war still on, the men of the Merchant Navy would still be in there taking a beating. With that settled, let's get down to facts.

We would like to present the case for the Merchant Navy veterans under two headings: (1) REHABILITATION; (2) BENEFITS.

(1) REHABILITATION

As this Association has pointed out so many times, the majority of men who served in the Merchant Navy were recruited from two categories—those too young and those too old to serve in the other forces. Both now present a rehabilitation problem that is serious.

The Young Men—Boys 15½ to 18½ when they joined—uneducated and untrained, facing a futile future, are rapidly becoming radical minded. They see boys of their own age, who enlisted several years later than they did (some not having left Canada) being educated and trained at government expense to take their rightful place in Canada's future, while their services are ignored. They are becoming bitter over the unjustness of the situation.

The Older Men—The Minister of Labour has several times lately expressed concern at the increase of unemployed men of 45 years and over. A lot of these men served in the Merchant Navy. We submit, Mr. Chairman, it took only a

trip or two in the icy North Atlantic to give these men rheumatism, arthritis and other crippling ailments, besides the injuries they were prone to because of their age. They face a life on relief roles and the last depression proved how communism thrives when there are relief roles.

But, this Committee can recommend for these men's salvation. It can ask Parliament to extend to them the benefits of the Veteran's Land Act. On small land holdings especially many could, at least, become partially self-supporting. With Re-establishment Grants others could establish a business. Men who served as radio operators, electricians, carpenters, cooks, etc., are well qualified to enter in those respective fields of enterprise. Trucking and painting, for instance, are two more means of livelihood.

Housing—Can this Committee condone a situation where a Merchant navy veteran earning \$47.07 during the "Battle of the Atlantic" being left on the same footing as a munitions worker who was earning three times that amount in the security of Canada? Parliament legislated that the members of the other forces, with all the benefits they receive, needed help on housing—consider, then, how much greater is the need for men of our service.

Civil Service Preference—Here is another way the older men can become self-supporting, and at no cost to the country. You will remember the Senate Committee on Veterans' Affairs recommended this last year.

There is no need to go on and on presenting arguments for rehabilitation legislation. We feel this Committee will realize the justness of such a program for the Merchant Navy veterans. The resulting educated and trained young men and the self-supporting senior citizens—all of them with a record second to none in the service of their country—will prove of inestimable value to Canada. But make no mistake, gentlemen, if this legislation is not enacted you are leaving the door open to force which is directed against the form of government you represent.

Mr. Chairman, we ask your Committee to recommend to Parliament that the veterans of the Merchant Navy be given the benefits of:

- (1) Vocational and Educational Grants;
- (2) Veterans' Land Act;
- (3) Rehabilitation Grants;
- (4) Housing Legislation;
- (5) Civil Service Preference.

(2) BENEFITS

Under this heading we ask the Committee to recommend certain changes in existing legislation and some new legislation.

Ten Per cent Bonus—The final date this bonus could be claimed was March 31, 1947. Whereas the members of the other forces were given literature while still overseas explaining their benefits, and later in Canada advised again by D.V.A., the Dept. of Transport made not a single effort to do the same for the Merchant Navy veteran. And these men for months had no contact with Canada and then only a week or two in port before sailing again. Yet the veterans of the other forces have ten years in which to make their claims—We ask this committee recommends the men of the Merchant Navy be given the same length of time.

Ten Per Cent Bonus—The government has refused this to those radio operators who served on ships of foreign registry. These men were ordered to sail on those ships and had no say in the matter. Veterans of the other forces assigned to serve with our allies did not lose their gratuities—why should the men of the M.N.? We ask this committee recommends the ten per cent bonus be paid all Canadians who served on allied ships in dangerous waters.

Medical and Dental Care

Medical—Many men are desperately in need of treatment for the injuries they are still suffering from. We mean injuries not pensionable because they are not the result of direct enemy action. Anybody else even if only slightly connected with the war gets better hospital treatment than do our men. There can be no doubt but what this Committee will recommend treatment in the veterans' hospitals across Canada.

Dental—The only dental allowance there was for the men in the Merchant Navy was for extractions. Teeth were yanked out with abandon and the result is appalling. Seeing the government is responsible for the condition, it is only right this committee recommend they correct it!

Civilian War Pensions and Allowance Act

Part I of this Act must be liberalized. Sec 5 (e) if the word "extraordinary" were to be deleted it would certainly mean a lot of crippled, tubercular, malaria ridden men could regain the health they lost in the service of their country.

Section 9—How in the name of justice can Canada put a one-year limit on applications for pensions for disability and dependents' pensions of Merchant Navy men? These men may not discover for years the injury they suffered, nor can the parents of the boys who are at the bottom of the seven seas judge their status ten years from now. The men of the other forces and their dependents can apply fifty or a hundred years from now—is the blood they shed on behalf of their country any more precious than the blood of the Merchant Navy boy from across the street? Certainly there can be no argument against the removal of this restriction.

Section 12—Here we have those that did apply within the stupid one-year time restriction, having their pensions CUT, yes CUT, to the amount paid by the country in which the ship they sailed was registered. Could the dependents of the men killed while serving with the French forces live in Canada on the amount paid by the French government to the dependents of their service men?

Section 14—Do you know, Mr. Chairman, your government collected income tax from the men of the Merchant Navy while they were prisoners of war? Gentlemen, if there ever was a pay-off to any brief submitted to your Committee, or to any other committee in the history of Canada, this is it!

In a review of Part I of this Act, this Association asks that the Chairman of the Civilians' Pensions Board be present.

Pensions

The pensions legislation governing Merchant Navy veterans is the cruelest legislation on the statute books of Canada today. Out of some 18,000 men who served in this force, only 31 have been able to qualify under its regulations. Let us for a moment recall the "Battle of the Atlantic", the "Run to Murmansk", the "Relief of Malta". Is it not beyond human reason to believe that men suffered pensionable injuries? Consider, too, the many who are suffering permanent injuries as the result of black-outs, storms, loss of life because of bad cargo loading by inexperienced longshoremen—are all of these men doomed to go through life with permanent disabilities and have no recourse to pensions or compensation?

Let the Merchant Navy Veterans Association point out this fact: All through the war your government allowed these men to sail without any protection in the above respect. Then in 1945 it brought them under the Workmen's Compensation Act. If this protection is necessary in peacetime (and who will argue it is not?) This Association does not hesitate to ask for the same protection in war-time. Even if this Committee forgets the men who suffered an injury of 1, 2, or 3 years duration, there are still those with permanent injuries.

We ask this committee recommend that men suffering a permanent injury (no matter what the cause) while serving on ships engaged in allied warfare in dangerous waters be paid the same scale of pensions being paid to men of the other forces injured while serving in Canada.

In Conclusion

The cost of the program of legislation as suggested in this brief, compared to the services Canada's Merchant Navy veterans rendered their country, is of small consideration—the administration could be handled by D.V.A. without the addition of a single stenographer or the purchase of an additional typewriter.

The D.V.A. can obtain from the Department of Transport such files that deal with the men who have applied there for these measures of relief and have been told there is no legislation to cover them. In addition, this Committee could recommend advertisements be placed in newspapers advising the public of the new benefits, as well as the posting of notices on ships and in shipping offices. Better yet, the Department of Transport could notify all those who signed the Pool agreements.

Thank you, Mr. Chairman and gentlemen, for having given this Association's representations your sincere considerations. To the many members of this Committee, and this includes members from all of the four parties represented here, we extend our thanks for the written words of encouragement and the promised support in this Committee and on the floor of the House. That you will merit the undying gratitude of the men of the Merchant Navy, their widows and their children, the Canadian Merchant Navy Veterans Association has no doubt.

Again thanking you, we remain the staunch defenders of this land of ours—Canada!

CANADIAN MERCHANT NAVY VETERANS ASSOCIATION

A. J. HEIDE,
Secretary-Treasurer.

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Canada-Veterans Affairs Special Committee

(SESSION 1947-48
HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 26

THURSDAY, JUNE 17, 1948

WITNESSES:

Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs;


Mr. F. J. Rutherford, Director, Soldier Settlement and Veterans' Land Act;

Mr. J. L. Melville, Chairman, Canadian Pension Commission;

Messrs. Charles A. Clark, R. W. Pellor and R. C. Stager, Hong Kong
Veterans Association of Canada;

Messrs. H. C. Baker and A. J. Sibley, Soldier Settlers' Association of
Canada.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.P.
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1948



ORDER OF REFERENCE

WEDNESDAY, 9th June, 1948.

Ordered,—That the name of Mr. McKay be substituted for that of Mr. Wright on the said Committee.

Ordered,—That the name of Mr. Moore be substituted for that of Mr. Bentley on the said Committee.

Attest.

ARTHUR BEAUCHESNE,
Clerk of the House.

REPORT TO THE HOUSE

THURSDAY, June 17, 1948.

The Special Committee on Veterans Affairs begs leave to present the following as a

SEVENTH REPORT

Your Committee has considered The Civilian War Pensions and Allowances Act and is of the opinion that certain provisions limiting the period during which application for pension may be made are unduly restrictive. Your Committee has embodied the amendments necessary to remove these restrictions in a draft of a proposed Bill, a copy of which is appended hereto, and recommends that the Government consider the advisability of introducing such a Bill.

All of which is respectfully submitted.

L. A. MUTCH,
Chairman.

DRAFT OF A PROPOSED BILL

BILL

An Act to amend The Civilian War Pensions and Allowances Act
His Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:—

1. Section nine of The Civilian War Pensions and Allowances Act, chapter forty-three of the statutes of 1946, is repealed and the following substituted therefor:

Application for disability pension to be made within one year.

9. (1) Subject to subsection two of this section no pension shall be awarded under this Part unless an application is made therefor within one year after the occurrence of the disability in respect of which the pension is claimed.

Extension of time.

- (2) Where it is established to the satisfaction of the Commission that lack of communication facilities prevented a person from making an application within the time limited by subsection one of this section, the Commission may, on special application in that behalf, extend the time within which an application for pension may be made.

2. Subsection two of section sixty-two of the said Act is repealed.

MINUTES OF PROCEEDINGS

THURSDAY, June 17, 1948.

The Special Committee on Veterans Affairs met at 11.30 o'clock a.m. the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Benidickson, Blair, Dickey, Dion, Fulton, Gregg, Harris (*Grey-Bruce*), Herridge, Isnor, Lennard, McKay, Marshall, Moore, Mutch, Pearkes, Quelch, Skey, Timmins, White (*Hastings-Peterborough*).

In attendance: Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs; Mr. T. J. Rutherford, Director, and Messrs. J. A. Paul and B. G. Pentland, Soldier Settlement and Veterans' Land Act; Messrs. Charles A. Clark, R. W. Pellor and R. C. Stager, Hong Kong Veterans Association of Canada; Messrs. H. C. Baker and A. J. Sibley, Soldier Settlers' Association of Canada.

Messrs. Clark, Stager and Pellor were called, heard and questioned.

Mr. Clark filed the following documents:

1. Booklet, prepared by the Department of National Defence, *Where Do We Go From Here?*;
2. Copy of letter dated December 4, 1945, from Commander Edward V. Dockweiler, U.S. Navy to the Minister of National Defence;
3. Letter dated Nov. 24, 1947, from the Canadian Legion of the B.E.S.L. to the Secretary, Hong Kong Veterans Association of Canada;
4. Copy of Order in Council P.C. 3593 dated May 17, 1945;
5. Copy of Treasury Board Minutes P.C. 105/238 dated January 23, 1946.
6. Sworn declaration of John Leslie Varley, dated 14th June, 1948.

The witnesses retired.

Messrs. Baker and Sibley were called, heard, questioned and retired.

The Chairman informed the Committee of certain correspondence exchanged by the Minister of Veterans Affairs with Capt. A. B. Riddle, of Victoria, B.C., and tabled a brief prepared by Capt. Riddle on behalf of former members of No. 34 Company, Veterans Guard of Canada, which is printed as Appendix "A" to this day's minutes of proceedings and evidence.

At 1.15 o'clock p.m. the Committee adjourned until 3.15 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 3.15 o'clock p.m. the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Benidickson, Blair Cruickshank, Dickey, Emmerson, Gregg, Harris (*Grey-Bruce*), Herridge, Lennard, McKay, Marshall, Mutch, Pearkes, Quelch, Skey, Winkler.

In attendance: Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs; Mr. T. J. Rutherford, Director, and Messrs. J. A. Paul, B. G. Pentland, W. M. Jones and A. Jamieson.

Messrs. Rutherford, Jones, Paul and Jamieson were called, heard, questioned and retired.

Mr. Harris from the sub-committee appointed on April 30 to consider and report to the Committee on the question of veterans deserted by their wives presented the following report;

Your sub-committee was appointed to consider and report to the Committee on the question of veterans who have been deserted by their wives, and more particularly those who have obtained divorces which are not recognized under Canadian law.

As to the former class, a typical example is the veteran who married his wife in the United Kingdom, who has returned and been demobilized, but whose wife will not come out now. Unless proof of adultery is given, she cannot be divorced in most provinces. It has been suggested that special legislation should be passed giving the veteran the right to sue for divorce on a lesser ground than adultery, such as making her continued absence and refusal to come to Canada for a fixed period of time, legal desertion. The Parliament of Canada is fully competent to enact such legislation, but your sub-committee is not in agreement that this should be done, and we, therefore, report that we have not been able to come to any conclusion.

As to the latter group, the Pension Commission is now operating under substantially the same legislation as it has had since 1919 in respect to this particular problem. Prior to 1932, additional pension was granted to any pensioner who produced evidence that he was married, i.e. a marriage certificate or any other form recognized by law. In 1932, however, the Pension Commission reversed its policy, and since that date, investigates the marriage to see if, in fact, the parties had capacity to marry. They do not do this if the marriage certificate discloses that both parties were unmarried at the date of the ceremony and had been unmarried theretofore. Only those marriages which disclose a previous marriage status on the marriage certificate are investigated. There are two groups of cases:

- (a) Where either party on the marriage certificate shows that he or she has been previously married and the spouse is now dead.
- (b) Where either party on the marriage certificate shows that he or she has been previously married and the spouse is now divorced.

In the former case the Pension Commission requires proof of the death of the spouse by a death certificate or by a Court Order presuming death, etc. In the latter case the Pension Commission investigates the

details of the divorce to see if the court granting the divorce had jurisdiction over the domicile of the husband. Should the Pension Commission not be satisfied that the spouse in (a) is dead or that the court in (b) had jurisdiction to grant the divorce, the application for additional pension may be refused.

In the case of the divorces most of the decisions by the Commission turn on the opinion of the Justice Department or the Commission as to the recognition which would be granted by Canadian courts to the divorce decree. It is our opinion that this is an unusual situation because it is reasonably certain that with eight provincial courts a decree of any given foreign court might be recognized in some and not in others. On the other hand, it should be said that the Pension Commission has on it very learned lawyers and your sub-committee did not feel like considering the individual cases which they have been dealing with. The problem resolves itself into whether this committee should approve of the present procedure of investigating all the facts and rejecting certain applications because of the *opinion* of the Board on the lack of capacity of the parties to marry or whether we should advise the Board that in our opinion they should accept the marriage certificate as final proof of the marriage subject only to ascertaining that the veteran described in the certificate is in fact the veteran who has made the application and that the woman who is living with him and being maintained by him is, in fact, the woman described in the marriage certificate. Your sub-committee has come to the conclusion that we are not satisfied that the present policy is the right one, but in the time at our disposal, and having in mind that this particular problem has not been considered at any time by the many Veterans Affairs Committees in the past, we are not prepared to recommend a change and therefore, we recommend that the Department study the question anew, and that, if this Committee is reconstituted next Session, it put this question on its agenda.

At 5.30 o'clock p.m. the Committee adjourned to the call of the Chair.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,

June 17, 1948.

The Special Committee on Veterans Affairs met this day at 11.30 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, let us come to order. There has been a slight delay arising out of the fact that I overlooked telling the clerk to call the Hong Kong veterans first. We will begin by hearing the presentation of the Hong Kong veterans. These gentlemen come to us from Toronto. They represent the organization of Hong Kong veterans and they presented a brief to us before. They requested a hearing before this committee. We pointed out to them that the terms of reference of the committee did not permit us to deal with the specific complaints which they had made, but it was also pointed out that this committee as a committee of members of parliament who are also veterans would be willing to set aside a period of time for them to tell their story for what it is worth. For their purposes we are a committee of the House of Commons rather than a committee on veterans' affairs. They understand that position and they come here to tell us their story. Mr. Charles A. Clark will present the brief of the committee.

Charles A. Clark, representing Hong Kong Veterans Association of Canada, called:

The WITNESS: Mr. Chairman and gentlemen of the committee, I wish to thank you for this opportunity to present our case. For your information this organization is represented from coast to coast. We have branches in Montreal, Toronto, Winnipeg and Vancouver. The Canadian Legion and the Canadian Corps have made representations regarding Japanese campaign pay before, and we have with us today Mr. Kines, the representative of the Canadian Legion.

In presenting the brief of the Hong Kong Veterans Association we have mentioned several cases which we do not wish you to take as suggesting any form of heroism on our part; we are trying to prove that these men co-operated with the United States forces, which is one of the qualifications for Japanese campaign pay.

JAPANESE CAMPAIGN PAY

Whereas an order in council P.C. No. 3593 was passed authorizing the payment of a higher rate of pay to Canadian forces serving in the Pacific, the Hong Kong Veterans Association request that "C" force, which served four years in the Pacific theatre of war, be granted a higher rate of pay and this order in council be amended.

We base our claims on the following facts:—

1. The question of a higher rate of pay for "C" force was under consideration by Brig. Lawson during November 1941 before the outbreak of war in Hong Kong, and recommendations to this effect were being

drawn up by Col. P. Hennessey, S.A.O. to be forwarded to the Department of National Defence, Ottawa. This was in conformity with the practice of the British army serving in the Far East.

Living-out allowances for other ranks attached to China command were allowed and put through orders, but, owing to the war, and eventual surrender, this allowance was not paid.

2. The heroic defence of Hong Kong by "C" force, and the inhuman treatment accorded these troops by the Japanese after surrender, undoubtedly brings them, at the very least, to an equal rating with subsequent volunteers for the Pacific theatre of war.
3. While prisoners-of-war in Hong Kong, Canadian N.C.O's with the help of Chinese Hong Kong volunteers, made contact with the U.S. forces at Kweilen, giving valuable information. They operated a secret radio, bringing in news which greatly helped the morale of the camps. The smuggling of diphtheria serum, sulpha drugs and much needed medical supplies into the camp, was practically all done by Canadians.

Sgt. Payne, Cpl. Berzenski, Ptes. Adams and Agerbak, while attempting to escape with vital information in an effort to reach the allied forces at Kweilen, China, were captured, tortured and executed, without divulging any information that would incriminate others.

Sgt. R. Routledge, R.C.C.S., who was imprisoned and tortured for his great work in this matter, was later decorated with the D.C.M. His citation quotes "Had Sgt. Routledge weakened under the torture and given information to the Japanese, Brig. W. J. Home, present commandant of the Montreal military district would have been executed." The above are just a few of many cases where Canadians were tortured and sometimes killed, but refused to talk.

While prisoners-of-war in Japan, "C" force, although quartered in different camps, maintained communication and under the guidance of U.S. army officers organized sabotage on a large scale. Your attention is called to the report of the U.S. navy to the War Department at Washington, referring to sabotage: "The acts of these men greatly minimized the Japanese war effort. Their contribution to the allied war effort cannot be overestimated."

4. The Department of National Defence gives as its reason for a higher rate of pay for Pacific forces, in P.C. No. 3593 as follows:—

"Extra hazards peculiar to that theatre of war."

"To place Canadian army pay on a basis favourable to the rate paid U.S. army and British forces, with whom they would operate."

We contend that the hazards met by "C" force were even greater than those anticipated in the order in Council, and, that at the time, the Canadian government did not realize "C" force was co-operating with the U.S. forces.

Therefore, we submit that "C" force qualifies for Japanese campaign pay.

5. Upon release from prison camp at Sham Shui Po, China, the camp was visited by the representative of the Canadian government in China, Brig. Orville M. M. Kay. He stated in his speech to the men, that they would receive a higher rate of pay for their service in the Pacific area, as authorized by the Canadian government. We have sworn affidavits from the men in this camp. We also have statements on file from men returning to Canada via the S.S. *Australia*, who were told by Major Mathewson, R.C.A.P.C., while discussing pay and rehabilitation credits.

that Japanese campaign pay would be granted to "C" force. Prisoners-of-war, returning to Canada by other routes, were also contacted by Canadian officers and received the same information.

Upon arrival at Vancouver, a booklet issued by the Department of National Defence entitled "Where do we go from here" was given to all Hong Kong prisoners-of-war. This booklet, on page 8, definitely states: "The following special campaign allowance for all those who served with the Pacific forces."

6. We wish to bring to your attention that 75 per cent of the men in "C" force who survived, received no promotion or trades pay. We have with us Sgt. R. Stager, R.C. Pay Corp, and Sgt. R. Pellor, Winnipeg Grenadiers. Both these N.C.O.'s are well educated; held responsible positions before the war. In the ordinary course of events, and had they not been taken prisoners, they would quite likely have attained officer rank. Both these men proceeded overseas as sergeants and returned as sergeants, with no promotion or extra trades pay.

The vast majority of men serving with "C" force, went overseas as privates and returned as privates. Some of these men reverted to privates from N.C.O. rank to go overseas and were never promoted later. We contend, that had these men not been taken prisoners, they surely would have received some promotion or trades pay. We therefore ask, that Japanese campaign pay be paid them as a compensatory measure.

7. We have noted that in the copy of the minutes of the Privy Council, both order in council P.C. No. 3593 and P.C. No. 105/238, the practice of the British and U.S. governments was followed regarding the following:—

REPARATION FOR LOSS OF KIT AND PERSONAL EFFECTS

In this matter, the claims of "C" force personnel were cut anywhere from 10 per cent to 40 per cent.

THE EXCHANGE OF YEN FOR DOLLARS

Yen for dollars was limited to a maximum of 35 yen for \$8. "C" force still has several thousand yen in their possession, obtained by prison labour or donated by the Canadian Red Cross, which the Department of National Defence will not accept.

We regret, however, that the procedure of the British and U.S. governments was not followed in the matter of extra pay for service in the Pacific by "C" force. We believe the U.S. government paid 20 per cent extra allowance for service in the Pacific, and we know that all U.S. prisoners-of-war, regardless of rank, were automatically upgraded one rank upon release from prison camp.

SUMMARY

Gentlemen, we present this brief for your information and we ask your help and advice.

P.C. No. 3593 states that funds were available. \$2,207,000 was voted to cover Japanese campaign pay for 1945-46. We claim a portion of these moneys would fully cover all claims made by "C" force.

Therefore, we ask that Japanese campaign pay be granted to "C" force, retroactive to the date this force proceeded to the Pacific area.

The CHAIRMAN: Thank you, Mr. Clark. Do Mr. Stager or Mr. Pellor wish to say anything supplementary to your brief?

Mr. STAGER: The only thing I could tell you is that we have various documents here to back up the statements in our brief. I should like to point out that we are not asking for sympathy or any special favour; we are asking for moneys that were paid to troops that were in the Pacific forces. There are some documents here that I should like to produce. There is this matter of officers promising this pay to the prisoners on their way home. We have sworn affidavits here from various of our members who have sworn that this was told to them, and as recently as 1947 the Canadian Legion was in correspondence with the honourable the Minister of National Defence on this matter and they gave us information from a letter they received from the minister. They received a letter on June 4 from the minister stating that it was the minister's hope that a solution acceptable to all may be found in the near future. That was as late as 1947.

Mr. SKEY: That was a year ago?

Mr. STAGER: Yes, the minister had hoped to find a solution, but as yet no action has been taken.

We also have a letter here which concerns Mr. Clark. It is from Commander Edward V. Dockweiler of the United States navy and was addressed to the Department of National Defence. It is a special citation of the sabotage work which Mr. Clark did while a prisoner in Japan. In 1945 Mr. Clark personally started a million dollar fire in a Japanese shipyard and closed that shipyard for almost three months, which did a lot to stop the Japanese war effort. There were hundreds of other instances where our boys were doing work that was helping the allied cause.

The point we wish to bring out there is that in this Japanese campaign every member of the "C" force actually earned every cent that the Canadian government will give to them.

We also have this little booklet which was issued to us on the way home: "The following special campaign allowances for all those who served with the Pacific forces." One of the reasons that the Department of National Defence have given us for not paying this Japanese campaign pay is that we are not members of the Canadian Pacific force and that the routine order and the order in the Privy Council does not cover us, but the booklet that has been printed does say the Pacific forces.

We are not looking for any honour, but we are just wondering if we should not be included as Pacific forces as we were actually the only ones that did fight in the Pacific.

We also have a copy of the minutes of the Privy Council of May 17, 1945, stating the reasons why this campaign fund was paid to the Canadian Pacific forces, and the second paragraph in these minutes of the meeting reads: "The estimated cost of the foregoing proposal for seven months 1945-46, amounts to \$2,207,188 of recurring expenditure for which funds are available in the 'pay and allowances' allotment for 1945-46 annual army estimates."

We contend this money was available for the purpose. We do not know exactly how many Canadians proceeded to the United States for training, but we do know that while they were in the United States they received extra pay for being in the Pacific theatre. At the most they would have had to use approximately \$200,000 of this amount, and we contend that if the Canadian government had paid us this money when we came home the money would have been available at the time for that purpose.

Mr. PELLOR: Mr. Chairman and gentlemen, I think all the points have been covered by the two previous speakers.

Mr. TIMMINS: For my information, what was "C" force, and how many troops were in "C" force?

Mr. STAGER: Approximately 2,000 were in "C" force. From the information we received, in September 1941 the British government sent to Canada and requested that two regiments and a headquarters staff be sent to Hong Kong to complete the garrison. Within a month after they knew we were going, or shortly over a month they first knew of the force, we were on our way overseas. The force consisted of the Winnipeg Grenadiers from Winnipeg, the Royal Rifles from Quebec and possibly 100 headquarters personnel, consisting of the different corps.

Mr. HERRIDGE: Would the witness explain what is the amount of the extra pay that was given to the Pacific force for privates and N.C.O.'s?

The WITNESS: The individual amounts?

Mr. HERRIDGE: The scale.

The WITNESS: According to the scale given to us in Vancouver a private would receive 30 cents a day extra, a corporal 35 cents, a sergeant 45 cents, a staff sergeant 50 cents, a battery quartermaster sergeant 50 cents, a W.O. I 65 cents, a lieutenant 75 cents, a captain 90 cents, a major and above \$1.

Mr. McKAY: I understand from the brief presented that the Hong Kong veterans are asking for a 20 per cent increase on the former scale of pay.

The CHAIRMAN: He pointed out what the Americans got. Mr. Clark, you asked for the Pacific rate, whatever it is?

The WITNESS: Yes, the Pacific rate. The Privy Council definitely states that Japanese campaign pay will be paid to certain forces working in the Pacific area. It is a graded-up rate on the same scale as was received in the United States, and it was paid to their men in the United States, but it was not paid to the men in the Pacific and we are asking that the Japanese campaign pay allotted by the government of Canada be paid to the men who fought in the Pacific.

Mr. McKAY: If that is the case, what did the United States forces actually get? Was it a 20 per cent increase over the former scale of pay?

The WITNESS: In the order in council it says that the United States armed forces received 20 per cent extra.

Mr. McKAY: That is the point I wanted to get.

Mr. PEARKES: You say you are asking for extra pay for all men who fought in the Pacific. That would include the small groups who were not part of "C" force but did actually see service in the Pacific theatre, such as special wireless groups who were sent over and did interception work and also, I presume, those Canadian Chinese who were employed on sabotage work with the British forces?

The WITNESS: Yes, sir, our claim is based on the fact that if the money was paid for men training in the United States surely the men who saw combat service and were risking their lives and fully fulfilling the obligations of the order in council should be recognized suitably too, for the one big reason that they were absolutely blocked from promotion and yet the men who were in the personnel of the air force were automatically up-graded month by month according to their rank which they would have received if they had been free; and the men operating in the United States army were also automatically up-graded.

Mr. SKEY: You mentioned some casualties in your brief. Could you give the committee any information of the conditions under which you lived in the Japanese camps and also how many of your number suffered disability or were the victims of Japanese tyranny?

The CHAIRMAN: Gentlemen, on that point I hesitate to interject into the discussion. I think the second part of your question is relevant. The witnesses may, of course, use their own discretion as to what they wish to answer. There

is nobody here who has not got written indelibly in his mind the story of what these men endured—although those who have not experienced the condition cannot fully feel it—but so far as the telling of the story is concerned, the recapitulation of what the men endured, they need not attempt to do it if it places them in an embarrassing position. The members of this committee will understand as far as chaps who have served can understand what you went through.

With respect to the facts bearing on your case you may answer if you wish, but you do not need to detail the horrors unless you wish to do so.

Mr. STAGER: I should like to say a few words on that. We could go on for a few days telling you what did happen but, as the honourable chairman has mentioned, you probably all know it. There is one point I should like to mention in that connection. There were approximately 2,000 troops who proceeded to Hong Kong. Of the 2,000, there were close to 800 who did not return to Canada. The casualties were much higher than any other theatre of war.

Mr. SKEY: Those figures are really significant. For the purposes of this committee, they are revealing.

Mr. MELVILLE: There are 1,450 survivors of the Hong Kong forces.

Mr. TIMMINS: Am I right in stating that the pay for the soldiers who came back from the war in Europe and volunteered for the Pacific forces was \$1 per day extra while they were training in the United States?

Mr. STAGER: It is according to the pay rate we read from the book. A major and above would receive \$1 a day and a private soldier would receive 30 cents. It is graded from 30 cents to a dollar for a major and above.

Mr. FULTON: I wonder if we could have one sample affidavit read?

The CHAIRMAN: You may, of course, but I propose to ask these gentlemen to file the documents to which Mr. Stager referred with the committee. They can be put in the record. There is not much point in these gentlemen coming here to present their case to us unless the whole case is put on the record. This meeting is for that purpose. The original records will be returned to these gentlemen. If you do wish a sample affidavit read, it is quite in order.

The WITNESS: Do you wish me to read a sample? We are quite willing to give you all these documents.

Mr. FULTON: Would you like to read a sample? Is there one outstanding affidavit which you wish to read?

The WITNESS: I will read a sample affidavit.

Dominion of Canada	}	In the matter of Pacific Pay and the payment thereof to "C" Force Canadian Army (Overseas)
Province of Ontario		

To Wit:

I, John Leslie Varley of the City of Toronto in the Province of Ontario do solemnly declare:

That immediately following the Declaration of Peace and the Cessation of Hostilities in the War against Japan, I (among others), was addressed by Brigadier Orville Kaye, the Military Attache to Chung King, in the Army Barracks at Sham shui po on or about the 20th of August 1945. Brigadier Kaye explained to me (among others) that I would be debited with monies received from the Japanese Government while a Prisoner of the Japanese, and that I would have credits of three and a half years pay at the new rate of One Dollar and Fifty cents per diem as a Private Soldier and above, according to rank. Brigadier Kaye

also stated at this time that there was a further rate of pay to be known as Pacific Pay which I would receive as having served in the Pacific. This Pay to be at the rate of thirty-five cents per diem and above according to rank. He stated that I (and others), as Canadian Army Personnel serving in the Pacific would be entitled to this pay.

And I make this Declaration conscientiously believing to be true and knowing it is of the same force and effect as if made under Oath and by virtue of the Canadian Evidence Act.

Declared before me at Toronto
in the province of Ontario
This 14th day of June A.D. 1948
(Sgd.) D. Clark
A Commissioner.

(Sgd.) J. Leslie Varley

The CHAIRMAN: Thank you.

Mr. PEARKES: I wonder if it would be in order if I gave the committee the actual number of men who drew Pacific pay and the number of men who returned from the Pacific, as given to me by the minister?

The CHAIRMAN: I think it would be helpful.

Mr. PEARKES: There were 325 officers and 1,300 other ranks who drew Pacific pay. None of them served in a Pacific theatre of war. 221 officers and 2,198 other ranks, exclusive of the Kiska force who returned from the Pacific theatres but none of these received Pacific pay.

Perhaps I should emphasize the point that only includes those men of "C" forces who returned. The Department of National Defence could not give the actual figures of those who went there because they had no record of the actual number who arrived in Hong Kong. The department knows the number who left, but there might be some variation there. This information can be found in *Hansard* of March 18, page 1350.

Mr. FULTON: Did the Kiska force not get Pacific pay?

Mr. PEARKES: No.

Mr. SKEY: The *Hansard* reference is February, not March.

The CHAIRMAN: That concludes what you desired to present?

The WITNESS Yes, sir.

The CHAIRMAN: That concludes the presentation of Mr. Clark and his associates. I can only say to you, sir, and through you to your organization, that the purpose of your being here has been accomplished. I think it will be some satisfaction to you to know we have one of the largest meetings of our committee that we have had for some days. It will indicate to you the committee's interest in your problem. You appreciate the situation with respect to the committee, of course.

I think you have many friends in the committee. The committee has not resolved itself on the matter and cannot, as yet, but at least you have had this opportunity. I should think you have, in no way, damaged your case. I thank you for the care and precision and the moderateness of your presentation to the committee.

Mr. LENNARD: I may say to the contrary, they have strengthened their case very much.

The CHAIRMAN: You are stating positively what I stated negatively that, at the worst possible interpretation they have done themselves no harm. I think, of course, the contrary is true. Thank you very much.

The WITNESS: Mr. Chairman and gentlemen: before I leave, the boys in Toronto at a special meeting asked me to thank you for the grand job you have done on the veterans' charter within the last year. Thank you.

The CHAIRMAN: The next order of business, gentlemen, is the hearing of a presentation which is to be made on behalf of certain veterans who are farming under the original Soldier Settlement Board. With the consent of the committee, I propose to ask a member of the House of Commons, who has a long record of interest in these matters but who is not a member of the committee, to introduce the men who will present this brief.

Mr. FAIR: Mr. Chairman and gentlemen: I wish to thank you and the committee for the opportunity of coming here once again on behalf of the Soldiers' Settlers of World War I. I am very well acquainted, I think, with most of the members of the committee so I am not going to take up any time. I wish to merely introduce my good friends of the Soldier Settlers' Association. Mr. Baker is president of the association and one of the youngest members of the Soldier Settlers in whom we are interested. He has done a lot of work on behalf of the settlers.

Mr. Sibley is the secretary and is one of the older members, although he perhaps does not look it. I think if you will survey him rather carefully you will find he has been through the mill as many of us have who live on farms in the west. Mr. Sibley is secretary of the organization and has done an amount of work which cannot be measured by many of us here. Having been in contact with him since the formation of the organization, I can assure you a lot of work has been done by Mr. Sibley and his associates. I am not going to take up any more of your time. These gentlemen have prepared a short brief and I think you will find it concise and to the point.

The CHAIRMAN: Mr. Sibley will present the brief, gentlemen.

Mr. SIBLEY:

To the Chairman and members of the Special Committee considering Veterans Affairs—

Hon. Sirs,—We, the representatives of the Soldier Settlers' Association of Canada, have the honour to present this brief in support of our request for clear title to all lands held by soldier settlers of World War One, their widows and next-of-kin, as at today's date.

Should we be accused of lack of respect for the sanctity of contract, and contractual obligations, may we point out that 200 years ago a British Lord Chancellor changed certain harsh clauses in a mortgage and said: "Necessitous men are not, truly speaking free men, but to answer a present exigency, will submit to any terms that crafty men may impose upon them". Since that time this Lord Chancellor's example has been accepted as a definite precept for British jurisprudence. We submit that the inability of soldier settlers at this late date to gain title to their lands is due mainly to two reasons:

1. Failure of those in authority to revise the terms of the contract itself, as early as 1922, to fit changed, changing and unforeseen conditions. In other words—failure to follow closely the precept of the Lord Chancellor aforementioned.

2. (a) Failure to impregnate its administrative policy with these two distinct concepts: that the scheme was launched for the well-defined purpose of providing a means of livelihood for veterans with farming aptitude as a partial recompense for their services in the Hades of Flanders theatre of war.

- (b) That the veteran would enter into ownership within a reasonable length of time of his home and farm in the country for which he fought and offered his life.

The fact that approximately 16,000 of the original 25,017 soldier settlers have lost their lands since the inception of the scheme 29 years ago shows quite plainly that the settlers' obligations in the contract could not be fulfilled.

Examination of the reductions in the debt which has been made from time to time will show that they were, for the most part, too little, and too late, and were not made until arrears of principal and interest were so great as to be uncollectable.

Furthermore, arrears continued to outstrip payments made by the settlers and remissions granted by parliament, because of the following facts:—

1. The contract did not protect the settler against the effects of depression, drouth, hail, flood, frost and aggravated war disabilities, for many of which no indemnity had been claimed on discharge from the army, and were therefore unpensionable.

2. High interest rate on annual instalments, and a high compound interest rate on overdue payments were being charged on a debt from which inflated values had not been extracted.

Because of the alarming growth of the soldier settlers' debts, and because of the settlers' increasing inability to repay, advances to cover legal fees, arrears of taxes, inflated values of land, permanent improvements, livestock, equipment, interest charges of five per cent on due date, and seven per cent compound interest after due, were consolidated and amortized over 25 years.

As far back as October 1922, a provision was made for cancellation of interest, provided the settler lived up to certain provisions in the contract, and we quote one section from the agreement:—

"If default be made in the payment of any instalment of one twenty-fifth herein referred to, the amount of such instalment, or the unpaid portion thereof, shall bear interest at the rate of five per cent per annum from the due date until paid". How few could avoid default! How few could avoid interest!

This shows that the original inflated prices to the settler were left intact to be met with deflated returns from farm produce. Cows had fallen in value from \$125 to \$25; wheat had fallen from \$2.50 per bushel to less than \$1.00 per bushel. Values of other farm produce had fallen accordingly.

To lower the debt to some extent, a land revaluation was made in 1927. This award did not reflect the deflated value of these lands in their respective districts, as evidenced by the continued policy of the Soldier Settlement Board to sell repossessed parcels to civilians, including former enemy soldiers, for amounts varying from arrears of taxes to one-half the original price to the soldier settler.

The original sum disbursed for soldier settlers' lands was \$61,205,617.92. Under this land revaluation April 14, 1927, a reduction of \$7,479,344.75 was made. A large percentage of this was interest. A cruel feature of the disparity between the cut given the veteran, and the cut given the civilian purchaser, was that no amendment to the S.S. Act of 1919 was put through to permit him (the veteran) to repurchase his farm and home at its deflated sales value.

Much noise has been made by the S.S.B. of the livestock reduction in 1925. If we remember that settlers had been charged interest on \$200-horses for five years, that these horses had fallen in value from \$200 to \$50, and that quite a few of them were dead, we must admit that this gesture did not squeeze the water out of the livestock deal.

So impoverished were the settlers by March 31, 1930, that their arrears amounted to \$2,671,914.05. The 30 per cent reduction at this date took care of these arrears, but did not remedy the defects of the scheme. As a result, the amount of arrears owed by settlers two years later (March 31, 1932) was \$3,097,542.28.

By May 1932, four thousand settlers had lost their land.

The interest remission of 1933 was well meant, but did not wipe out arrears.

During the next two years (a period of dollar-for-dollar bonus legislation, and shockingly low grain and livestock prices) 8,000 more settlers lost their farms and means of livelihood. We believe that by this time the settler should have repaid his loan in full. For these thousands of Canada's faithful sons, these gestures proved to be "The spring of hope that was the winter of despair".

With regard to the dollar-for-dollar bonus—it must be borne in mind that this bonus was granted, not only to veterans, but to civilian purchasers of repossessed S.S.B. lands. The civilian purchasers, in most cases, had bought at two-fifths to one-half the original price to the veteran. In addition, the civilian seldom depended solely on the one-quarter for his living, and thus could more often take advantage of the bonus. As the number of casualties aforementioned prove, the bonus was of little help to the majority of soldier settlers.

In 1934, soldier settlers were given access to the F.C.A.A. This proved to be so much more costly tinkering with effects. At first some settlers were given worthwhile cuts. Then for some unexplained reason, rulings became niggardly for soldier settlers ranging from nothing to part of the accumulated interest. Why, in contrast, in the same court a civilian purchaser of repossessed land could get a 50 per cent cut has not been explained.

The reductions under P.C. 10472 (1942-46) was a continuation of hit-and-miss tinkering long after the time when soldier settlers should have had clear titles to their homes and lands. In this connection it is generally admitted that service overseas reduced the working span of a front-line soldier's life by ten years.

The savage vindictiveness with which soldier settlers have been pursued would give one the impression that they were Nazi enemies, instead of our own Canadian soldiers. At no time should the S.S.B. have been empowered to collect from the settler until his food, clothing, shelter, fuel and medical requirements—in other words—his livelihood, had been provided for. But the S.S.B. was so empowered, and in making use of that power, they left behind them a trail of destitution, broken homes, broken lives, broken minds, broken hearts and untimely death. This ruthless high-power collection policy, by uprooting 16,000 soldier settlers and their families, has robbed rural Canada of the most patriotic and stabilizing asset it could ever hope to have. This cost far outweighs all financial costs to the country.

We appreciate that under the V.L.A., our sons may receive a grant of \$2,320, with interest on the unpaid balance of \$3,000 odd at $3\frac{1}{2}$ per cent. In addition, our sons will have the advantage of buildings to move into, cultivated land, stone and scrub removed, fences erected, roads, schools and telephone debentures paid off, pool elevators to handle their grain, guaranteed prices for their products, family allowances, all with benefit payments while awaiting returns, and this at the inception of their venture.

Those who were fortunate enough to be able to pay up during the last few years, have done so by virtue of increased prices due to the war itself, failing to renew worn-out, or obsolete equipment, continuing with slum dwellings for themselves, and dilapidated buildings for their livestock, doing without family medical and dental care, and proper food and clothing, depending upon grown-up sons and daughters to pay the debt, and thus jeopardizing the chances of these young folks of establishing their own family unit, selling the farm to a richer civilian farmer, and after paying the S.S.B., meeting the other debts with the remaining equity, if any. In some cases wives, threatened that they would lose their farms while their husbands were serving in the armed forces, paid up the debt out of their allowance. There are very few who have been able to get clear titles out of profits made on their farm. Had there been no war, these poor settlers would have been abandoned, squeezed, hounded out and left destitute on the roadside by a highly paid S.S.B. staff.

The amount of \$67,321,446.29 paid by soldier settlers up to December 31st, 1942, does not give a true picture of the settlers' response because of the deflated prices of farm produce. For many years they did not get costs of production.

The average loan of the old soldier was \$4,358.40. One would be conservative in stating that the margin of inflation on an average parcel of land, and on livestock, was \$1,400. In this connection let us remember that under the V.L. Act, land is not purchased at inflated values. Now, if the principles in the V.L. Act had been applied to the S.S. Act in 1919, what would have been the position of soldier settlers of World War One at that time? We would have the average loan of \$4,358 minus the average inflation of \$1,400, minus the average ten per cent down payment of \$250, minus the grant of \$2,320. The old soldiers' loan would then have averaged \$388.40 at $3\frac{1}{2}$ per cent interest. Few old soldiers are there who did not pay the S.S.B. that much during the first five years, let alone during 28 years. To equate the deal given the old soldiers, to that given the new soldiers, we must—and we assert this most emphatically—we must apply the principles in the V.L. Act to the old S.S. Act, as at the date of its enactment in 1919. What fair-minded person could take a different stand? It would be frivolous to state that any cuts received by old soldiers on inflated values, and excess interest, years after time of purchase, were comparable to the grant of \$2,320 received by new vets. The cut of \$2,320 was on true values, and this at the time of purchase.

Old soldiers still on their lands have been S.S.B. guinea pigs since 1919. From them you have learned what you have embodied in the V.L. Act. What else would you learn from them? Must title to six feet of earth in a graveyard be the only land title for them? If so, they will never realize the vision that steeled their hearts and nerved their arms in Flanders. We take the liberty to paraphrase G. K. Chesterton:

"We only know the last old sweats slide slowly towards the grave,
And a new people take the land—and still it is not we"

It is saddening to notice the attempts of some M.P.s to discredit our petition of 1943. All the settlers we could contact over the wastes of snow signed gladly. Remember that only one out of five of the original settlers remained—thanks to S.S.B. policies—and these settlers were scattered between Vancouver and Halifax. 15,000 ventures had been smothered out. Whole districts had been depopulated of soldier settlers. The sign-up in the district we covered was a true indication of how people generally supported our request.

With those of our own calling—men and women of the farm—our prestige is high. We have the full support of all the farm organizations, among whose members we have settled, and with whom we co-operate in every way. They realize that the enforcement of the contract has been a subtle form of confiscation, confiscation of the livelihood our hard labour should have guaranteed.

As at the end of December 1947, 3,019 settlers of Great War One were still under contract with the S.S.B. and owed a total of \$3,442,876, or an average of \$1,140 each. Realizing that the average age of those men is sixty years (which is comparable to seventy years as civilians) and also realizing that up to March 31st, 1944, cost of administration averaged about \$1,100,000 per year, we believe it would be in the interests of Canada, financially and otherwise, to forthwith grant clear titles without any further payments.

It is unbelievable that you will stand by, and against the express will of farmer, and other, organizations, and in spite of the wisdom bequeathed to you regarding unjust bonds, by the great Shakespeare, watch the S.S.B. squeeze the last few drops of blood from aging veterans. Gentlemen, no action could be more subversive of our faith in receiving justice under democratic institutions than this.

We appeal to you, as advisors to our government, to recommend the granting of our request stated above, and thereby help to bring the treatment of our comrades of World War One more in line with veterans of Great War Two.

Respectfully submitted,

(Signed) H. C. BAKER,
President,

ALFRED J. SIBLEY,
Secretary,
Soldier Settlers' Association of Canada.

The CHAIRMAN: Thank you, Mr. Sibley. The delegation is here, gentlemen. If any of you desire to ask questions bearing on the brief, this is your opportunity.

Mr. FULTON: Yes, Mr. Chairman, what was the bonus referred to on page 4 of the brief as the dollar-for-dollar bonus? Could you explain that, please?

Mr. BAKER: At that time, many loan companies throughout Canada were offering one dollar for every dollar paid by a man in debt because prices had fallen so low. In order to give those indebted to the Soldiers' Settlement Board an even chance with other land purchasers, they offered one dollar for every dollar paid. Now, the taxes had to be paid and the fire insurance had to be paid before you could get that dollar.

It so happened that, at that time, crops were poor and prices were the lowest they have ever been from 1920 up to the present day.

Mr. FULTON: How long was the bonus continued? Just one year?

Mr. BAKER: No, it was continued for several years. I think it was paid for about two years at first and then an additional four years; I think it was six years.

Mr. QUELCH: It was only on current payments; you could not pay off the whole debt?

Mr. BAKER: No, on arrears. We understand it was on arrears only.

The CHAIRMAN: The answer is six years. It was put in for three years and then extended for three years.

Mr. FULTON: When was it taken off?

Mr. BAKER: It was taken off about a year before the war.

Mr. FULTON: When prices were going up again?

Mr. BAKER: Yes.

Mr. LENNARD: Is this Soldiers' Settlement Board still operating as such, Mr. Chairman?

The CHAIRMAN: Oh, yes.

Mr. LENNARD: The board has no other duties but looking after these 3,000 odd settlers and their contracts?

The CHAIRMAN: I think the deputy minister had better answer that.

Mr. WOODS: It is merged. The board does not maintain separate offices. It is merged under the V.L.A. administration. It is merely a segment within the Veterans' Land Act administration.

A question was asked with respect to the dollar-for-dollar bonus. That was applicable for three years and was later extended a further three years, making a total of six years. It was not confined to arrears but was applicable to any payment the veteran made.

Mr. FULTON: When was it stopped?

Mr. LENNARD: Up to March 31, 1944, the cost of administration was over a million dollars a year. Could the deputy minister state what he would consider the cost to be at the present time, since the board has now been merged with the Department of Veterans Affairs?

Mr. WOODS: I am told that the cost of administration of the Soldiers' Settlement Division as a branch of the department is between \$120,000 and \$130,000. This million dollars to which reference is made, of course, includes the cost of the administration of the whole Veterans' Land Act; that is, 1944, during the war.

Mr. QUELCH: I think the deputy minister should clarify his statement that the dollar-for-dollar bonus applied to all payments made. It applied to arrears and perhaps to current payments but not to pre-payments.

Mr. WOODS: I am advised by Mr. Paul, a senior official of the branch, that it did apply to pre-payments. I beg your pardon, it applied to current payments and arrears.

Mr. FULTON: Does anyone know what the reasons were for its discontinuance?

Mr. WOODS: Presumably, it was introduced because of depressed conditions in agriculture. When those conditions passed, the normal system of payment was restored.

Mr. HERRIDGE: I should like to ask the minister a question. What was the reason for the S.S.B. policy in connection with the repossession of a farm? I had personal experience with this in my own district. During the period of depression, when a settler could not meet his payments, the farm was repossessed and resold to a former enemy soldier at half the price. What was the reason for that policy?

The CHAIRMAN: I think, perhaps, it ought to be clearly indicated that the selling to an enemy soldier was incidental. Where it did happen, it had an aggravating effect. The fact is that the government of the day, for whom I take no responsibility nor do any of us probably, did make this land available to civilians. As some of you know there was, at that particular time, an influx into this country of agricultural people. They were the only ones who could come in. We got some from Germany and some of them were purchasers of the land. It was a highly inflammable situation, as you know. The fact that they were former enemies had no bearing, other than sentimental, on the situation. Any other civilian had the same opportunity.

Mr. HERRIDGE: The veterans concerned did not feel very happy about it.

Mr. BAKER: May I explain one inflammatory point in connection with that? At that time, about the end of the dollar-for-dollar bonus, our boys were called upon to enlist. Many who were on veterans' land enlisted. Many of the local fellows enlisted and there were not so many to draw upon for the purchase of these farms. The ones least liable to enlist were those of enemy extraction and they certainly took advantage of that situation.

The CHAIRMAN: I think there is no argument about that.

Mr. PEARKES: On page 5 of the brief the witness says there were cases where wives, threatened that they would lose their farms while husbands were serving in the armed forces—I imagine that is while they were serving in the armed forces in World War II. Were there any cases in which farms were taken by the Soldiers' Settlement Board while men were actually serving?

The CHAIRMAN: You are misreading that, I think. The witness did not state farms were taken. The brief says that these women, under that constant threat, used their separation allowances to pay the debt.

Mr. PEARKES: I want to know whether there were any taken? Was there any justification for a woman feeling she was threatened? In other words, were there any regulations passed which said they would not be touched?

The CHAIRMAN: I understand your question. We will get an answer to it.

Mr. PAUL: I do not think there were any threats used at all with respect to payment being made by wives from separation allowances. It did appear a good means for wives making some payment for the protection of their homes. It was a small periodical amount which would be less than rent had they not been living on farms.

Mr. PEARKES: Do you mean to say there was a demand made that these wives should pay some allowance while their husbands were in the service? I should like to get an answer to that question.

Mr. PAUL: Yes, there was.

Mr. PEARKES: I think that is utterly preposterous, that a woman who is given just an allowance to carry on with while her husband is serving in the forces should be expected to pay out of that allowance something to maintain the farm. I submit that the very opposite position should have been taken, and that their farms should have been kept inviolate while their husbands were away.

Mr. QUELCH: Mr. Chairman, was there not an order in council passed a few years ago which corrected that matter? I remember that the matter came up for discussion in the House and assurance was given that that would be done.

The CHAIRMAN: That is right. The original justification for that policy was this, that in certain cases the wives of serving soldiers had nothing on which to maintain themselves. They had to maintain themselves somewhere, and if they wished to pay rent and live on the farm—pay an amount equivalent to what they would have to pay if they were to maintain themselves in a town or some other place, for instance—that would be arranged. That was the original justification for that line of action. As Mr. Quelch recalls, the situation was one which was very disturbing to quite a number of us, and following the time to which he refers a change was made. I am quite sure that no one wants to suggest that this was a sort of new collecting device. Arrangement was made for certain things to be paid, but if they were not paid that did not in any way abrogate the contract of the serving soldier. His position was not prejudiced. I think the original intention of the legislation was not to place the soldier under any disadvantage, but to arrange to take care of the position in which a widow might find herself. But the way it worked out in practice was nothing short of ridiculous and when it was brought to the attention of the proper authorities the matter was corrected. No matter what the intent of the regulation was, or what the intent of the legislation was, the effect of it in practice is always in the hands of those who administer it.

Mr. WOODS: I want to make sure that the committee is aware of the fact that rescission under the Soldiers Settlement Act requires the consent of a district court, and that every property of any dependent, so far as I am aware during the war had the protection of a moratorium as to their rights and interests in the properties.

Mr. BROOKS: Is there any case of any farm having been lost while a man was in service?

Mr. WOODS: I would say off hand definitely not.

Mr. PAUL: That is correct.

Mr. McKAY: Just to get some information for the committee, I wonder if one or both of the witnesses could tell us under the soldier settlement scheme what payment has to be made down in order to secure land; in the second place, what was the interest that had to be paid; and, thirdly, was there any grant made to help the soldier acquire his equity similar to what is now being made

under the Veterans Land Act. Under the present act there is a quite substantial credit which can be applied to the initial payment, I understand. Is any such grant available at the present time, either through the federal government or any other source; and, can such a grant be applied on account of arrears?

The CHAIRMAN: The first question was what was the down payment required?

Mr. BAKER: 10 per cent.

Mr. McKAY: And that is practically the same as it is now?

Mr. BAKER: It works out to an average of \$250.

The CHAIRMAN: The second question was, what was the rate of interest originally?

Mr. BAKER: The rate was 5 per cent, and 7 per cent after due.

The CHAIRMAN: 5 per cent up to the date of payment and 7 per cent thereafter. Was not the interest reduced by some amendment?

Mr. BAKER: The act was amended in April 22, 1922.

The CHAIRMAN: And then it became?

Mr. BAKER: 5 per cent and 5 per cent after due. But there is this point to remember; that arrears of interest and the principal amount were consolidated so that the 5 per cent and the 7 per cent overdue amount was added to the original amount and consolidated.

The CHAIRMAN: Consolidated at 5 per cent and payable over 25 years.

Mr. BAKER: Yes, so you are paying 5 per cent on your overdue interest as well as principal, on the old 5 per cent and 7 per cent debt incurred.

The CHAIRMAN: And the third question was what is the new form of writeoff.

Mr. McKAY: And a supplementary question, if I may ask it, is this. Would the witness give us an estimate or the actual value of the land in their particular district. They paid inflated prices. We all know that. What was the actual value the veteran paid? You would have to take it over a period of ten years. I want to find out how it was arrived at. We know that inflated prices were paid, much higher than in 1914 and 1915. Much of it was bought in 1920 and 1921. Would you give us an estimated of the prices paid for these lands over the period I have indicated?

The CHAIRMAN: Before Mr. Baker answers, I hope that we will realize that we are getting into the field of pure conjecture with respect to that. The witness of course is permitted to give us his opinion, but it is hardly evident.

Mr. BAKER: I would have to mention sub-marginal land, and marginal land and above marginal land classes before the war. The quarters in our district were worth about \$1,000 in what we would term now sub-marginal districts, the sub-marginal areas. Now, those quarters, if you were to buy them from a municipality, land that has been turned back by soldier settlers to the municipality, they are being sold at the municipalities for \$400. But after the men came back from the war, that is where a man owned this sub-marginal land, they would sell them to soldier settlers for around \$2,000; and the marginal lands were sold for over \$3,000. Then there is a matter of the unimproved lands. Now, of course, you will understand that when the boys came back the best land had been picked up, the quarters that were left were stony or scrubby or slewey, and they had to be cleared at a high cost. Now on these lands, we would be safe in assuming that they were paying \$1,000 a quarter, which is much more than they were worth. You have to pay about three times what the land is really worth.

Mr. MOORE: Could we get any information as to how much debt is now held on lands of the Soldier Settlement Board?

The CHAIRMAN: I think perhaps Mr. Rutherford could tell us that.

Mr. RUTHERFORD: The debt as it stands at present is \$3,124,510.

The CHAIRMAN: How many are in arrears?

Mr. RUTHERFORD: I could give you a few figures that might be of interest to you. In the five-year period from 1943 to 1948, of the 6,290 soldier settler accounts at the beginning of the period there are only 3,556 of that number which have been paid in full and on which the soldier settler received his title during those five years. The total debt in 1946, was \$4,960,000. The total debt in 1946, was the figure I gave, \$3,124,510. They were in 1946, 4,276; in 1947, 3,453; in 1948, 2,879. The average debt in 1948 was \$1,160—I mean in 1946—and in 1948 it was \$1,085. Those who were settlers in 1947, the last year in which this arrangement was made, 1,980; and they had an equity of 64 per cent. Of the number in 1946, 194 were graded 1; in the preceding year there were 45 graded 2, which indicated an equity of 41 per cent; 187 were graded 3, with an equity of 17 per cent; and at the present time there are 21 who have no equity at all.

Mr. LENNARD: How many properties during those years were taken over by the Board?

The CHAIRMAN: You mean, surrendered?

Mr. PAUL: There were 4 voluntary surrenders.

Mr. LENNARD: That is voluntary. I want the total number.

The CHAIRMAN: Were any recovered by legal process?

Mr. PAUL: Absolutely none.

Mr. BROOKS: Have any of these properties been turned over to the Veterans Land Act; in other words, to veterans of world war II?

Mr. PAUL: Yes, some have been; real estate owned under the Soldier Settlement Act is available for sale to the director of the Veterans Land Act. They are very closely screened, and they are only taken over when they are found to be suitable for the purpose of land sale under the Veterans Land Act. They are available to veterans.

The CHAIRMAN: The number is very small, I understand.

Mr. PAUL: Yes.

The CHAIRMAN: We have had some complaints, gentlemen, that veterans since the war have been placed on sub-marginal land which was repossessed from the older Soldier Settlement Board from settlers following the first war. The complaint has been that sub-marginal land of that type did not give them a chance.

Mr. QUELCH: The commissioner stated that a certain number of veterans have no equity now at all. What was the number?

Mr. RUTHERFORD: 21.

Mr. QUELCH: Did you say 21 per cent?

Mr. RUTHERFORD: No, 21 individuals.

Mr. QUELCH: Did any of these 21 apply for a new agreement? You remember in an order in council passed some years ago it was possible for a settler to consolidate his indebtedness and get a new agreement for a further period of 25 years, and under the arrangement for the revaluation of the land at that time his payments on account would give him an equity in the property.

Mr. RUTHERFORD: I presume you are referring now to order in council 1004?

Mr. QUELCH: Yes.

Mr. RUTHERFORD: It would not be possible to say whether any of these actually did, but it may be assumed that they had some equity, I think.

Mr. QUELCH: Then I cannot understand why these 21 should not have any equity, because the purpose of the order in council was to give the soldier an equity in the land. You do not recognize ownership on the part of a veteran under the Veterans Land Act unless he has a substantial equity. If he had been on the land for 30 years, surely he would have made some payments during that period and there would be something left to him in the form of an equity.

The CHAIRMAN: Of course, it might be possible in the case of some of these veterans that whatever equity they may have had would have been used up through adverse circumstances since the time his equity was re-established; I mean, he may have been so unfortunate as to have wiped out his equity through the accumulation of new arrears.

Mr. QUELCH: Well then, it must have been a very small equity. It has only been four years since the order in council was passed.

The CHAIRMAN: It is five years, is it not? During that time if his stroke of bad luck continued it would be possible that in 21 cases the new arrears would have wiped out his equity; and I understand from Mr. Paul that that is the situation with regard to these 21.

Mr. FAIR: May I comment for a moment on the figures given by the director?

The CHAIRMAN: With the consent of the committee you may.

Mr. FAIR: It will be observed that the number of settlers who have paid off during the last few years is much greater than had been the case for a number of years before. That is entirely due first of all to some extent to improved prices; then again a number of settlers have not been able, as civilians have been unable, to get machinery. In my own case I sold out partly because I could not get machinery and partly because of taxation and other reasons, and the settlers are in the same position. I was fortunate enough to re-equip my farm in 1941, but I know that hundreds or thousands of farmers have not been able to get new machinery, and for that reason they have been able to get the spare money to pay off their needs and that accounts for the good showing that has been made. Machinery is now becoming available again—

The CHAIRMAN: At a price.

Mr. FAIR: Yes, at a price much above where it should be, but by the time these people get their farms re-equipped they will have got themselves in bad again to re-establish themselves.

The CHAIRMAN: Are there any further questions with respect to this brief?

Gentlemen, as is our custom I want to extend to you the appreciation of the committee for the brief which you have presented. You have seen the attention which the committee has paid to it and I can promise you that we will consider your brief when we come to make our final report to the House.

Mr SIBLEY: We appreciate your attention very much, gentlemen.

Mr. BAKER: Thank you very much, gentlemen.

The CHAIRMAN: Now, gentlemen, we have two things to do before we resume our camera meetings: one is to receive the report of the sub-committee on marriages and divorces, and that will be presented this afternoon. We were to have taken it the first thing this morning but the chairman of that subcommittee had to leave the committee. We will begin our proceedings this afternoon by taking up that matter.

I promised you yesterday that I would refer this morning to the brief presented in the first instance to the previous Minister of Veterans Affairs and to my predecessor as chairman of this committee. The matter is one which involves a company of the Veterans' Guard, No. 34 Company, of the city of Victoria, B.C. This company was recruited as were other veterans of the

Veterans' Guard and they proceeded during the course of the war to do a job of garrison duty in British Guiana. When the time came for this company to return to Canada they were ultimately discharged and they were treated in exactly the same manner as other companies of the Veterans' Guard who served in Canada or in the western hemisphere. Now, you will remember that the only areas on this side of the Atlantic which were excluded from the western hemisphere were Greenland, Iceland, and I think I am correct when I say Kiska.

Mr. PEARKES: No, Kiska was included as part of the western hemisphere.

Mr. WOODS: Newfoundland in some cases.

The CHAIRMAN: Newfoundland for some purposes, but not for income tax. I know, because I was there.

Now, this is the situation: Captain Riddle, who commanded the company has had a rather voluminous correspondence with the previous minister and has brought the matter up again with the present minister and in accordance with the undertakings given by both Mr. Mackenzie and Mr. Tucker to Captain Riddle that an opportunity would be given to tell the story to this committee I am doing so now.

It so happens that three members of this company when they returned to Canada and were discharged were paid the \$15 a month rate for gratuity which is applicable to service outside of the western hemisphere, and it has since been discovered that those three soldiers were paid in error; but the error is not ours, it is the error of the Department of National Defence. With that I am quite sure this committee would not wish to concern itself.

Neither does the company under Captain Riddle make any point of that beyond having used these cases to find out whether they were paid properly, and therefore the rest of them denied it improperly. That is one point in raising the matter. But so far as I know there is no desire on anybody's part to do anything about that which was done in error. However, the deputy minister has established through investigations that that is the situation with regard to those three soldiers. I would like to say that it is clear upon investigation—and Captain Riddle concurs in this—I think I will read a paragraph from this letter, which will make it quite clear. This is a letter directed to the secretary to the minister dated the 2nd of June, 1948, and it comes from 2638 Mount Stephen avenue, Victoria, B.C., and it is addressed to J. D. Macbeath, Minister's Secretary, Minister of Veterans Affairs, "Re: Ex-members of 34 Company V.G. of C.; Overseas service in British Guiana," and this is the relevant paragraph:

It is quite clear to me that service in British Guiana under present statutory provisions is service within the western hemisphere, and therefore, not 'overseas service' for the purpose of computing benefits. It is equally clear that payments made in error, and which are, therefore, subject to refund (which at this stage will constitute a severe hardship to those who have received these payments in good faith) in no way affects the status of other personnel of the company whose benefits have been properly computed on a 'western hemisphere' service basis. There never was any question of this at any time, and this was only brought to attention as showing an aggravation to ex-members of 34 Coy V.G. of C. whose benefits had been properly computed, in the matter of their claims set forth in the brief that I prepared on their behalf.

That is the end of the quotation. The brief which was originally prepared sets forth that there are conditions of service which exist in British Guiana which in the opinion of those who experienced them were comparable to service conditions outside of the western hemisphere. Those men were gone for a period of some two years, if I recall the time correctly, and in that country

the exigencies of the climate were severe for people from the more temperate zone of British Columbia, and they made their appeal on account of the class of service they performed. I am not going into the details of the brief. The steering committee has seen this brief and has felt it ought to be referred to the committee of the whole. The only possible method of dealing with it would be to recommend an exclusion which would require a change in the definition of the western hemisphere. If we do that, it will open up the question of service conditions in the outlying islands and coastal defences in obscure, lonely and cold outlying places as well as the conditions for troops who served under somewhat difficult sub-Arctic conditions in the north.

Some of you will remember that we had a fairly general discussion in the 1946 committee with respect to these conditions in some of these outposts, specifically with respect to Newfoundland. I think I am right in saying Newfoundland is included in the western hemisphere.

Mr. WOODS: Not in the case of those who did flying patrol and so on.

The CHAIRMAN: So far as the army is concerned, it is western hemisphere.

Under these circumstances, unless the committee is prepared to propose an amendment to do that, I think there is no point in reading into the record the whole brief. Therefore I will, if the committee concurs, cause an abstract to be made of the evidence and print it in the proceedings. Would that meet with the committee's view?

Mr. PEARKES: I should like to say a word on behalf of this company because they come from British Columbia. I know Captain Riddle. I have had a lot of correspondence with him.

The conditions of service were quite different from those which existed for other companies of the Veterans Guard of Canada. These men were removed some 5,000 miles from their homes. They had no chance of coming back. There were no opportunities of exchange between companies as existed with the other companies, whereby one company would be transferred to an area of rest and an area which was close to the residences of the men so they could see their families. The conditions of service were different. There was considerable danger attached to the work which this 34th company of the Veterans' Guard did. They were working on ships unloading ammunition, not merely guarding prisoners of war.

I suggest there was a greater element of danger in the service of this company than there was in the service of certain other companies of the Corps of Veterans' Guard. When we were considering the definition of the western hemisphere, I question whether the committee was fully alive to the fact there was a company of Canadian troops in British Guiana?

The CHAIRMAN: I doubt if anybody knew.

Mr. PEARKES: I do not think anybody knew it. I feel their service is in no way comparable to the service of a detachment on an Alaskan island. There was only one island, the Island of Annette, on which any Canadian troops were stationed, except during the Aleutian campaign which was entirely different.

I should like to have consideration given to exploring means of securing additional benefits for this particular company because I honestly think they deserve some consideration.

The CHAIRMAN: Mr. Pearkes and gentlemen: I am tabling, for the record, the brief presented by Captain Riddle. It will be before us when we come to consider it. We will adjourn until three fifteen this afternoon.

The committee adjourned to meet again at 3.15 p.m.

AFTERNOON SESSION

The committee resumed at 3.15 p.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Well, gentlemen, when we adjourned this morning it was understood that when we came back we would receive a report of the sub-committee on divorce. We will receive that report later this afternoon. The other item of business which was to be before the committee was a discussion with respect to the Veterans' Land Act. Members of the committee requested an opportunity of asking questions and securing information with respect to the Veterans' Land Act. When I became chairman of the committee I agreed there would be an opportunity of discussing this Act.

We have with us this afternoon the director of the Veterans' Land Act. I thought, perhaps, as a preliminary to what discussion we might have we might ask him to read into the record a review of the situation with respect to the Veterans' Land Act. It is not long and it is his own report. There are not copies for each member, so we will have it read into the record.

I introduce to you, then, in case you do not know him, Brigadier Rutherford who is the present director of the Veterans' Land Act.

T. J. Rutherford, Director, Veterans' Land Act, called:

The WITNESS: I presume you are most interested in a review of the work to date. Without any preliminaries, I am going to tell you something about it.

A review of the work of the administration since inception reveals a picture of accomplishment of which I feel this country can well be proud. I can say this as a latercomer into the organization, and I say it in all sincerity. There is one exception to this with which you are all very familiar, but looking at the picture as a whole, it is a minor exception. I refer, of course, to the 1945 project building program, and before giving you the rest of the picture, I will deal with it briefly. I am under no obligation to defend it. It has been a headache to me and to many others but I hope I can still look at it objectively.

In my humble opinion, the 1945 building program was sound in its conception. It did much towards meeting an emergency which existed at that time and which still exists, although to a lesser degree. The idea of settling veterans in communities on half-acre holdings close to industrial centres will, I am satisfied, be justified by results. Today, the agricultural development on project properties is well in advance of holdings outside of projects. This, I feel, is largely attributable to the fact that the veterans on most projects have formed forward looking and up-and-coming organizations. Admittedly, some of these organizations have on occasion been unreasonable in their demands but on the whole they have been most helpful. They are influential in developing a community spirit which, with pride of ownership, tends towards good citizenship. The manner in which the projects are coming along this year is, I am convinced, largely due to organized effort.

It is our policy to consult these associations on matters of future development within their projects, and to work through them whenever possible. These associations are also in a much better position to negotiate with their local municipalities than is the administration.

I believe the program has justified itself in every respect save cost. The workmanship on many of the houses was faulty, necessitating a great deal of remedial work, and the costs, including this, were so high that in order to assure

that every veteran was given value for his money, the 2,673 properties on which houses were constructed, have had to be written down approximately three million dollars.

The administration made many mistakes which are apparent now. Most of these are understandable, considering the fact that an organization had to be built from scratch and time was then the most important consideration. The greatest administrative error was, I feel, the failure to decentralize the work by making districts responsible within their own areas; and the most serious mistakes made were in the selection of contractors and in the terms of the cost-plus contracts entered into with them. These contractors were paid substantial management fees and, quite naturally and of necessity, considerable reliance was placed on them to carry out the work effectively and with due regard for economy. It is my considered opinion that had they all rendered as efficient service for their management fee as did some of the better ones, there would have been little to complain of either as to workmanship or costs. The wide variation in the cost and quality of work done by contractors working under reasonably similar conditions, is difficult to account for.

The debit side of our project ledger is not a pleasant picture but as the credit side unfolds, I am confident even the most critical will be prepared to admit that there exists a very substantial balance on that side.

Concerning the Veterans' Individual Housing Program, the whole picture is extremely encouraging. Under this plan, 2,183 houses have been completed and 1,074 are presently under construction. Many of those built and under construction are on project properties and the balance on individual properties in all parts of the country. These are being built under firm bid contracts, with satisfactory completion assured by Surety Bond or cash deposit. In a great many cases, the veteran is his own contractor; this varies from 2 per cent in Quebec to 96 per cent in Prince Edward Island and averages 28 per cent across the dominion. The average cost of these houses is less than 35 cents per cubic foot.

I use that figure to be conservative. The actual figure is around 31 cents per cubic foot. There are some things which have to be adjusted. Some of these buildings are not entirely completed. They have had the plumbing roughed in, but not put in and others, again, are only stove heated. On the other side of the ledger, some of them have a lot more frills than the ordinary house of that type. The ordinary house of that type has not got such things as fireplaces and verandahs. It is being very conservative to say that these houses are not costing any more than 35 cents a cubic foot. This compares with the normal cost today of 45 to 50 cents.

The CHAIRMAN: The average is about 47, I think.

The WITNESS: The average is 47. This economy is largely due to the fact that most of the work is in the hands of the veteran and the small contractor. When I say it is in the hands of the veteran, I do not mean he is not being paid for his own work. Some of them have a small contractor who is in a position to give careful supervision. I think it is fair to say that these houses represent the best value of any houses being built at the present time.

While many veterans are holding back waiting for the price of materials to stabilize before commencing to build, it is evident that the building program this year is going to be considerably larger than it was in 1947, and it is our opinion that this demand will continue to increase for some years to come. With this in mind, we are reorganizing and strengthening our construction section and, backed by the experience already gained, hope to be in a position to render even better service than we have been able to give in the past.

One of the best features of this will be the opportunity we will have to examine into the plans of the houses. With certain types of architecture, simple types, we will produce just as good a house very much cheaper than other types. The costs varied all the way from 40 cents to, well, 59 cents, which was largely due to the type of architecture.

May I now give you a few statistics with regard to the program generally:—

Number of loans to date.....	41,875
Amount of loans to date.....	\$178,609,229

This number is broken down as follows:—

Full-time farming	16,925
Small holding	14,296

By Mr. Lennard:

Q. By small holdings you mean how many acres?—A. It is not a question of acreage, it is a question of function. We have small holdings that are 100 acres and more and we have farms that are five acres. If he plans to make his full-time occupation the working of his land, then it is a farm. If it is a part-time occupation, subsidiary to something else which is his chief source of income, then it is a small holding.

By Mr. Cruickshank:

Q. Is a 100 acre farm not his chief source of income?—A. Very often not. It is a poor farm but has some good land on it.

Q. It must be a poor farm if it is a hundred acres and does not take him all his time to run it.

By Mr. Quelch:

Q. Could you give those figures again?—A. We have them considerably over 100 on which a man could not make his living. It is not a question of size, it is a question of function. I will read the figures again.

Number of loans to date, 41,875
Amount of loans to date, \$178,609,229.

This number is broken down as follows:

Full-time farming, 16,925
Small holding, 14,296
Commercial fishing, 601
Dominion and provincial lands, 2,720
Mortgage loans on property owned by veteran, 476.

In addition, we are administering:

2,879 Soldier Settler accounts,
693 British family accounts,
3,285 Civilian purchasers' accounts.

These constitute the residue of settlement under the Soldier Settlement Act.

It is interesting to note that over 5 per cent of all eligible veterans have already been settled under the Act; and also over 5 per cent of the total number of agricultural units in Canada, are presently held for veterans in the name of the director. It varies from province to province. It is quite low in Quebec and very high in Saskatchewan.

It is very encouraging to report that, to date, we have been able to collect over 93 per cent of all accounts due and, taking pre-payments into consideration, 141.8 per cent of the total amounts due has been collected. Pre-payments, at the moment, amount to \$1,581,023.

By the Chairman:

Q. By pre-payment, you mean chaps who have paid in advance of their requirements?—A. Yes. This year, in south eastern Saskatchewan, in one region alone, the payments were very close to 200 per cent of the amount due. The boys took advantage of the good crop to make a few payments in advance and save themselves some interest.

Q. It is possible, if a chap gets a good crop and is flush, to save interest by paying in advance?

Mr. CRUICKSHANK: He won't do that in the Fraser Valley for a year or two.

The WITNESS: Even more encouraging is the fact that, to date, only two veterans' accounts have had to be cancelled for cause.

By Mr. Quelch:

Q. What are the reasons for those cases? Do you remember offhand?—

A. Well, I am not very familiar with them. I would rather give the reasons off the record.

(At this point an off the record discussion took place).

The WITNESS: Only 202, or less than a $\frac{1}{2}$ of 1 per cent have parted with their property by voluntary sale.

By the Chairman:

Q. In connection with these 202, Mr. Rutherford, did some of them cancel their property and re-apply elsewhere?—A. Some of them, by arrangement, have switched property with others. Someone living in Ontario who wanted to go to the west exchanged property; I think that is the point. They are not permitted to make a second application under the Act. This was to everyone's advantage. I do not think we were doing wrong in doing it.

While our administrative costs may appear to be high, one must consider that there is a great deal of work in connection with the settlement of a veteran; that is to say, examination of his qualifications, approval of the property, obtaining and approving the deed, drawing the agreement of sale, purchase of livestock and equipment, and rendering such other assistance as is deemed necessary. In spite of this, the cost of making a loan is now in the neighbourhood of $4\frac{1}{2}$ per cent, and the annual cost of supervising a loan is only slightly over 1 per cent. This includes not only collections but close supervision and, in a great many cases, considerable help and guidance.

Where construction is involved, the cost runs in the neighbourhood of $2\frac{1}{2}$ per cent of the price of the house. This includes, in many cases, preparation of plans and in all cases, their approval negotiations with the contractor, preparation of the contract, obtaining priorities, expediting material, regular inspection of the work, and approval of payments as various stages are completed. This is very important. We do not want to let the contractor get ahead of us.

These costs, judged by civilian standards, are quite low and it is felt, considering the investment of public funds involved and the importance of our work to the future of the men we are serving, that it would be very inadvisable to attempt to reduce them further by any reduction in the service rendered. By streamlining the organization as I am doing, we have one man in the front line for every one in the rearward echelons, we have been able to reduce the staff to some extent and we will be able to reduce it more. I should like to keep that amount saved in order to keep the good men and replace the poor ones.

All our men with experience are being offered better jobs. I do not want quantity, but we must have quality if we are to do this job as it should be done and not repeat some of the mistakes which have been made. There is no excuse for repeating these mistakes. There may be an excuse for a mistake in the first

place, but there is no excuse for repeating it. We must be very careful to keep in our organization the best men we have. We will reduce our staff considerably this year but I do not promise you I shall not be back for nearly as much money for administration costs because we must keep our good men. Otherwise, it would be very difficult to carry on.

The success of the small holding program is very much in our hands. There is nothing in the Act that requires the small holder to develop his property along the lines visualized by parliament. The full-time farmer has to work to live but the incentive to develop the small holdings along proper agricultural and horticultural lines, is one which has to be promoted by encouragement and example and, to some extent, salesmanship and propaganda, since there is no one but the Municipal Weed Inspector who has any authority to prevent the neglect of these holdings to the extent that they become a nuisance rather than an asset to the community.

I would like to say for myself and staff that, in spite of many difficulties, we feel that we are very fortunate, in that the job we have been given to do is entirely of a constructive nature, and carries with it so much interest that to most of us it has become work and play and I am happy to say that we are playing as a team.

I hope, gentlemen, that we will be able to furnish all the information you may require, and we will be most appreciative of any criticism or suggestions that will be of assistance to us in improving the service given to the veteran. Gentlemen, I would like to say for myself and the members of my staff that in spite of the many difficulties we are having we feel we are very fortunate in that the job we have been given is entirely constructive and it carries with it so much interest that most of us find that our work becomes play, and I am very happy to say that we are playing as a team.

The CHAIRMAN: Thank you very much. For the benefit of the members of the committee who might have been somewhat late in arriving, we began our consideration, at the request of the members of the committee, of some information with respect to the Veterans' Land Act. We have no legislation before us in that connection but it was felt that we would like to incorporate a statement of the position in our report. There are one or two members who desire to ask some questions.

Mr. CRUICKSHANK: Has your staff made any investigation as to seepage in the Chilliwack district?

The WITNESS: What?

Mr. CRUICKSHANK: Have you made any investigation with respect to seepage on small holdings in the Chilliwack area?

Mr. JONES: Mr. Chairman, and Mr. Cruickshank there will be a wired report here not later than an hour from now. We were chatting with the assistant district superintendent at midnight last night and requested him to get us the latest reports on seepage damage. The report will include and refer specifically to Chilliwack. I am glad to tell Mr. Cruickshank that the staff has been right on the job night and day and the extent of the damage, they fully hope, will be less than they thought ten days ago. There is, however, some damage from seepage.

Mr. CRUICKSHANK: I am not criticizing the staff but I just arrived from there at 10 o'clock and the area I am referring was not affected by floods but it is affected by seepage. The reason I want this on the record is to show whether or not an examination is being made. I objected at the time those houses were being constructed because I know what would happen. To the best of my

ability I am going to see that the government will have to bear the cost of any damage because they had no business building the houses there in the first place.

By Mr. Quelch:

Q. Dealing with the question of pre-payment I understand the veteran can pre-pay the total indebtedness which he has incurred and thereby save interest but he will have to continue to reside on the place for ten years in order to get the benefit of the grants. That is right is it not?—A. Yes.

Q. If the veteran wanted to sell he would have to make full payment or he would not get the grant, but could he then get the title?—A. Yes.

Q. Even though he does not live on the property for ten years?—A. Yes.

Q. On the question of the veteran buying machinery under the V.L.A. if he purchases a piece of machinery and finds that it is not suitable, and if he desires to trade it in on a larger machine, I understand there is no difficulty if he turns the title of the new machinery over to the Veterans' Land Act for security?—A. Yes.

Q. Then in connection with the order in council, will you be placing it on the record?—A. I think Mr. Paul could make a remark about that.

The CHAIRMAN: Would you just mention the order to which you are referring, Mr. Paul?

Mr. PAUL: Mr. Chairman and gentlemen, Mr. Quelch mentioned his interest in order in council P.C. 4459 which has to do with the payment by crop share. The problem that arises is well known by you in the case of the veteran attempting to meet money contracts on a fixed yearly basis in those areas devoted principally to wheat production in western Canada. In order to meet the problem in a practical way the government on November 7, 1947 enacted the order in council referred to. Briefly in the case of veterans who were established on farms in the wheat producing area in western Canada, in areas officially known under the P.F.R.A. as spring wheat areas—taking in Saskatchewan, Manitoba, Alberta, and the Peace River block in British Columbia—the order in council gives those veterans the right to elect to continue under their main or principal agreement, that is the money contract required under section 9, and in addition thereto to execute a supplementary agreement by which they can deliver a share of the crop instead of making fixed yearly payments of principal and interest. The order in council provides that in any year in which the yield of wheat is six bushels per seeded acre or less the amount to be paid by the veteran may be extended to the terminating date of the agreement and interest shall be applied only to the principal sum so extended. In any year when the yield of wheat is in excess of six bushels per acre the veteran is required to deliver to the order of the director one half of the yield exceeding six bushels per acre up to a maximum of eighteen bushels per acre. Any delivery he wishes to make if his yield is over eighteen bushels per acre is entirely voluntary. It will be seen at a yield of eighteen bushels he delivers one-third of the wheat. He is required to see not less than one-half his cultivated acreage to wheat or such lesser acreage as may be accepted by the director. The yields of wheat for the purposes of the order in council shall be the yields as determined by the farm units established by the P.F.R.A. in 1939 in those townships or partial townships which qualify for an award, or by evidence satisfactory to the director in the case of those townships or partial townships which do not qualify under the Act. In the event of delivery to the director of less than the amount required to meet the current instalment the amount of deficiency shall be extended to the terminating date. It in no way affects the other provisions of the contract or the other terms or provisions of

the Veterans' Land Act, it merely provides an opportunity if the veterans so elect to enter into an agreement to deliver the share crop.

Mr. QUELCH: Just one point. In the event that the yield is less than six bushels per acre the time is extended by one year.

Mr. PAUL: No, it is extended to the terminating date of his contract.

Mr. QUELCH: Is it re-amortized over the whole period?

Mr. PAUL: No.

Mr. QUELCH: What about the interest charges due? Do they have to be carried over to the next year?

Mr. PAUL: No, they are carried over to the terminating date.

Mr. QUELCH: It may be too early, but I think as time goes on we want to be careful that the same difficulty does not develop as developed after the other war. If, through bad luck, and not poor farming, there is a crop failure or a hail storm loss in the case of a veteran in three or four successive years we should be careful that the piling up of interest does not discourage the soldier settler. I think perhaps a recommendation should be made that an order in council be passed that if such a thing happens it would be possible to actually cancel the interest charges, otherwise they will accumulate and accumulate as they did after the first war. We have never seemed to be able to catch up with the situation and we were always too late. I think that perhaps not this year but later if it looks as though that situation will develop and then the recommendation should be made that the board be given the power to cancel interest.

The CHAIRMAN: It would not appear as yet that such provision is necessary.

Mr. McKAY: I have been gravely concerned for some time, as Mr. Rutherford probably knows, with regard to the lack of settlement in the southern part of Saskatchewan. In the past the reason has been given that a good deal of the land is sub-marginal land. I believe there has been some relaxation of the regulations with regard to settlement there but I would like to have a statement on it if Mr. Rutherford will give it. First, however, may I add something about this sub-marginal land. I have made some examination and investigation into it and I have consulted with the experimental farm units. I have a report from at least one unit in the area to the effect that with modern farming techniques used today that land is just as productive as any land in that area of the country. The point they are making is that with heavy machinery and with the larger units half a section or three-quarters of a section can be farmed very profitably. In the past many farmers unfortunately started out with a quarter section and a team of horses and could not make ends meet. What I want to point out is a great many veterans are coming back and they cannot get land. I am not saying that it is happening now but it did happen six months ago. The veterans did not leave the district because they had been born and brought up there and had farmed there in their early lives. They knew the country and were determined to stay there. They are farming on their own either through loans or by one means or another in order to carry on. I do not think it is fair to those boys. They do not want to leave the district because it is their home. I know they will make good and some have made good in the last two years. It seems to me we could relax the regulations on the so-called sub-marginal land. I am not satisfied that it is sub-marginal land and as I have been there forty years I know something about it. There are a lot of farmers who have made good when they farmed the land properly.

The WITNESS: I think I will ask Mr. Paul to speak on that.

Mr. PAUL: The policy with respect to the purchase of lands particularly in what is known as restricted areas in Alberta, and some hazardous areas in Saskatchewan was formed after a great deal of consideration by outstanding

agriculturalists, both dominion and provincial and by individual farmers in both Saskatchewan and Alberta. It is a policy that has been examined by outstanding agriculturists in Canada and it is considered to be sound and reasonable and in the interests of those who attempt to establish themselves in those areas. There is no area discriminated against but it is reasonable to take precautions against buying what is described by both dominion and provincial authorities as sub-marginal land. That is to say we should purchase land of a minimum quality and not below what is considered to be a minimum quality, and in units of an economic size. That just means that in those areas we do not think that veterans should attempt to establish themselves on small units of sandy land. There is no area discriminated against but we feel lands should at least offer a sound opportunity for establishment to qualify for purchase on behalf of veterans.

Mr. CRUICKSHANK: I am not quite sure about these small holdings. I am not quite sure how a small holding can be 100 acres?

Mr. JAMIESON: I can tell you of one case Mr. Cruickshank, which I know very well. I know a veteran from a very fine family who came down for a small holding and he saw the small holding house and as he had several children he said what am I going to do. He said I will find one myself. He is a civil servant himself and he found a place with a nice big house a distance out of Ottawa and he thought his ten children should do very well there. It was approved and he has still a small holding but it is a 100 acre farm.

The CHAIRMAN: He bought the small holding within the economic limits of the small holding grant?

Mr. JAMIESON: Yes, and he is very happy. He and his 10 children are enjoying it very much.

Mr. CRUICKSHANK: I still cannot understand it. In western Canada we could not consider a 100 acre farm a small holding. I do not see how he is going to pay the taxes. It does not make any sense to me. In one or two cases in British Columbia certain men of wealth and with influence bought some of the best Japanese holdings. They did not know anything more about farming than I do about flying an aeroplane but they were able to secure some good summer resorts and hunting lodges and so on but the veteran could not get them. I am suspicious of these small holdings of 100 acres. If you have a 100 acre farm you have not got time to do even as little as most civil servants do and run that farm.

The CHAIRMAN: With respect to that there is a very definite limitation on the type and quality of a 100 acre farm which can be bought within the limits of a small holding grant which is a maximum of \$6,000. The chances of getting a holding like a summer resort or any good agricultural land in large blocks would be pretty remote.

Mr. HERRIDGE: Mr. Chairman, I first of all must take exception to Mr. Cruickshank's remark about the amount of work done by civil servants.

The CHAIRMAN: Yes, but some members of parliament perhaps would qualify.

Mr. HERRIDGE: I just want to make a comment and ask Brigadier Rutherford a few questions. First I want to ask about farming of provincial lands. As far as my riding, Kootenay West, is concerned, there is a large amount of provincial land available to settlement in that area of southern British Columbia. It is the only area where there is any amount and we have quite a number of top men willing to pioneer there and willing to take a provincial grant for their \$2,230 and go out and make a living, combining a small farm

and lumbering. We have had some who started under that scheme but in view of the fact there are a lot of other people coming into the district looking for land it would be something to bring to the attention of the department. I know almost every block of land in my riding having seen it surveyed back in the early days. We have veterans coming in there from other provinces who arrive and who are anxious to get something of this sort but do not know how to get it. I would suggest that it would be a good idea if your officials made a survey of the provincial land. It is all in fairly isolated places but there are men who would care to have it and by and large it is good land. There are blocks of as much as 6,000 acres and blocks of several hundred acres along the Arrowwood and Kootenay Lakes. My first question is what is the minimum size for a small holding?

The WITNESS: The minimum size is two acres, with some qualifications which I will mention. In the case of land with a suitable water supply costing more than \$500 an acre, two acres is the size. If it costs less than \$500 an acre the size is three acres. The exceptions made are cases where there has been a previous commitment on the part of the veteran on a particular piece of land and in the case of the residue of our project properties which are surveyed in half acre lots. The other case is the veteran with more than 50 per cent pension who would not be able to work a larger area and in that case we have the discretion to settle him on a smaller amount of land.

By Mr. Herridge:

Q. I think that brings in about a 100 more men in my constituency who were exempted because they could not get holdings close to Trail and Nelson. Now in my area we have a system which provides district agriculturalists and horticulturalists. We have graduate horticulturalists with 30 years experience and I want to ask if there is any co-operation between your counselling officers and the district horticulturalists and agriculturalists and I would like to know the particular duties of those counsellors who visit the men on the farms or small holdings?—A. I hope there is absolute co-operation. Wherever I have been that question has been asked and I am quite sure we are certainly getting co-operation when we ask for it and I hope we are always asking. Those men can be of very great assistance to us. Our own settlement officer's first duty is in the selection of the land. Some of them are appraisers, some are not. We have some expert men who are appraisers. They buy livestock for the men and generally follow up the case. It is the policy now that the settlement officer is assigned to an area. He has got a line fence around his particular bailliwick and he is responsible for the veterans in there. He is changed just as seldom as possible so that he can get close to the veterans, and so that he can know them intimately and well. It is all based on individual responsibility in given areas. At one time the men worked out of regional offices and might be changed. A settler might be visited this month by one settlement supervisor and by another in the next month. At the present time one man follows right through. He may call for assistance from the district agriculturalist who is a more experienced man to help him with such and such a problem. At the present time each settlement supervisor has 112 settlers to look after.

Q. Are the counsellors graduate agriculturalists?—A. A great many are graduate agriculturalists but it is not a compulsory qualification. We find they are about 50-50 as to their ability to do good jobs. Some of our very best counsellors are not graduates and I have heard the graduates say that the other qualifications were much more important.

Q. I have in my district a veteran who took up a small holding outside of the city of Nelson. Later his health failed and his doctor tells me that he advised him to sell the small holding and live in a suite because his health was

not sufficiently good. He did sell the small holding at a profit of \$2,000. The question I want to ask is whether the director is running into many cases of that type, and has any consideration been given under particular circumstances to resettle a man if his health changed and he possibly could take up a small holding again?—A. We have a ruling from the Justice Department that there can be no resettlement where the man has sold his property and has received his equity.

The CHAIRMAN: That is correct.

Mr. EMMERSON: I want to ask Mr. Rutherford what provision if any is made whereby a man established on a small holding may build additional buildings on that property? Supposing he is situated, so far as his holding is concerned, on a main road. If he wished could he construct a small store where he could earn additional money and where his wife might operate the store or ice-cream parlour or whatever it was?

The WITNESS: We of course are operating under a land act and it is primarily for the use of the land that the veteran was settled there. There has been some question about the advisability of permitting our people to enter into businesses such as the tourist business and stores on their holdings. Personally I have recently ruled in favour of giving the opportunity, at their own expense of course, to build something on their property. A man may want to move his business from town out there and have it right beside him. I think that is perfectly correct and there is nothing in the Act to prevent it. I think it is in the veteran's interest.

Mr. WOODS: I would suggest there would be wisdom in securing the concurrence of the rest of the veterans in the community. Where it is a community and a veteran proposed to establish a business I think the rest of the veterans should be consulted to insure that there is nothing disfiguring put on the property.

The CHAIRMAN: The statement which the department wished to put in has now been made. If there are no further questions I will say that when we come in camera to discuss our final report, if you desire to have further information as a result of the evidence presented to you today, we will have Brigadier Rutherford with us.

Mr. CRUICKSHANK: I presume your officials cannot do anything, and I am not criticizing in any way shape or form, but I presume you will instruct your officials as soon as possible to obtain reports on the soldier settlers affected by the floods in British Columbia.

The WITNESS: Those reports are coming in almost hourly.

Hon. Mr. GREGG: May I add a word with respect to the announcement of immediate relief. Federal and provincial governments sharing 75-25 as the Prime Minister announced, will provide relief to all people in the area, whether they be veteran settlers or not. Our department will be free to do whatever may be necessary after that.

Mr. CRUICKSHANK: No official now can possibly estimate the damage, although we have some would-be experts who tried to tell us what the damage would be in the case of a farm which is twenty or thirty feet under the water. Personally I am going after a recommendation from this committee and if I can from the government, to the effect that special consideration will be given to soldier settlers affected by the flood.

The CHAIRMAN: If I understood the minister correctly the flood provisions will apply to everyone, irrespective of whether they are soldier settlers or not and that is being arranged on a 75-25 basis. The minister's statement is to

the effect that it still leaves the department free to reconsider what shall be done by his department over and above the general picture in respect to his particular charges, namely the soldier settlers. There is study now being given to the action which you say you desire to recommend.

Hon. Mr. GREGG: The director I am sure can give us a very close estimate of the numbers affected but it is impossible, I take it, to give in exact detail of how seriously they are affected.

Mr. QUELCH: There is just one question I would like to ask. When the veteran qualifies for full time farming under the dominion-provincial agreement does he become eligible for the full amount of \$2,320 regardless of the size of the farm, and secondly, are there any conditions under which this money may be spent in regard to the amount available for machinery or buildings? Can the full amount be expended on machinery or can the full amount be expended on buildings?

Mr. PAUL: The certification of qualification provides the director with authority to make a grant not exceeding \$2,320 based on the needs of the individual and that may be for one or more of a number of purposes as set out in section 35 of the Act. Those purposes are pretty well all-embracing. It may be as I say disbursed for one reason or another. In fact that grant may be disbursed all for machinery or all for buildings, or for any combination that is considered by the director as advisable in the case.

Mr. WINKLER: I would like to ask Mr. Rutherford if there have been any cases under the old S.S.B. where a veteran gave up for any reason and then later came in under the Veterans' Land Act?

Mr. PAUL: Yes, there have been a number who were formerly soldier settlement board settlers and then, through acquiring the necessary service, became re-established under the Veterans' Land Act. I cannot give you the number and there are not a great many because their age of course prevented them, but there are some who have been established.

Mr. WINKLER: Would it be difficult to get the number?

Mr. PAUL: No, it would not be difficult and I could get that and leave it with the committee.

The CHAIRMAN: As I said a moment ago, in our deliberations in camera the officers of the department will be available and some of these matters may be thrashed out at that time. If there are no questions at the moment I would like to thank Mr. Rutherford and his staff for attending on us this afternoon. I would then like to use the few moments available to us to conclude our public meetings by asking Mr. Harris to give us his report of the subcommittee.

Mr. LENNARD: I would like to add one thing. I am one who can be critical and who has been critical of the director of the Veterans' Land Act in the past and I want to say how much I was impressed with the presentation this afternoon, the businesslike manner in which it was given, and I think it is only right that I should express my appreciation of the manner in which I think the department is now being run.

The CHAIRMAN: I am quite sure that a man in a position to get as many brickbats as the director is will appreciate on behalf of himself and his staff the kind sentiments expressed by Mr. Lennard and which are concurred in by the committee. Now, we will let these gentlemen move out and Mr. Harris will report to us on the last item of our public business. The committee will remember that in our discussion of the pension legislation in certain situations we had some questions dealing with marriages and the legality of marriages. The committee in its wisdom set up a subcommittee under the chairmanship of Mr. Harris who has given a good deal of study to this matter.

Mr. HARRIS: I have a word of explanation with respect to the personnel of the subcommittee and the results of our endeavours. You will recall we were appointed some time ago but a number of members have been away for some time. In fact, Mr. McKay who requested the setting up of the subcommittee has been away and in fairness to him it should be said that he has had no part in drafting the report, because he was absent when we were interviewing the officials of the department and he was absent when we were making the report. The report is a result of interviews of members of the department by Mr. Quelch, Mr. Brooks, Mr. Timmins and myself. Our recommendations are not firm in any sense of the word as you will see and they merely suggest further study. I will read the report but I have a few remarks to add afterwards.

(See Minutes of Proceedings)

I recognize, Mr. Chairman, that both recommendations are inconclusive. Let us deal with the first one. We have veterans married in the old country who are unable to get their wives to come out here. They have been writing in to the department and some of them have written to us since it was noted in the press that we were appointed. The wives may not have committed adultery and even if they had there would be a great deal of difficulty, time and expense, in getting evidence. That seems to be one of those unfortunate situations in which persons other than veterans get themselves involved and we feel that the Department of National Defence early in the war put as many checks as they could on marriages in the old country and they required officers' consents and things of that kind. On the whole it was the opinion of the committee, although we were in disagreement, that it would be asking too much to have the parliament of Canada pass legislation extending the grounds for divorce in Canada to help a veteran who could not bring his bride from the old country. It must be recognized that to pass such legislation would require a good deal of persuasion of the House of Commons. The individuals affected are not numerous but in their cases it is a hardship. There seems to be no way of dealing with the problem except to have the House pass a special divorce bill saying that a veteran whose wife will not join him in Canada may be granted a divorce on grounds of desertion.

The CHAIRMAN: It amounts to establishing a preferred class.

Mr. HARRIS: Yes.

Mr. LENNARD: Could the government not recognize a British divorce? As I understand it in certain cases women have divorced their husbands on grounds of desertion. They are divorced in England and able to marry again if they wish but in Canada the veteran is hog-tied.

Mr. HARRIS: The answer is simply that in the United Kingdom there is an Act which says that any girl who married a member of the forces after September 3, 1939 and who has been deserted by reason of her husband leaving for places other than the United Kingdom and not taking her with him, may institute action in the United Kingdom and may be granted a divorce regardless of the fact that the domicile of the husband may be Canada or Australia. That was special consideration conferred upon the deserted wife in the United Kingdom. I have no doubt there will be cases of wives in England who take advantage of the Act and assert that the husbands deserted them when in fact the husband may have been trying to get them out here.

The CHAIRMAN: There is a presumption there—the court presumes desertion after two years.

Mr. HARRIS: That is true but I would think the judges in the old country would require something in the way of evidence to indicate she had tried. I do not think the judge would simply take her word for it that the soldier left and deserted her. She would have to show that she was willing to join her husband

and had been refused. In any event to carry it one step further, she obtains a divorce in the United Kingdom and she remarries. At that point the soldier can institute proceedings on the grounds of her adultery because she, in Canada, is considered to have committed adultery with respect to her new spouse. True, that is not so in the United Kingdom but it would be a good cause of action in this country to say that she has remarried in the United Kingdom and the courts would be in a position of having to assume that adultery was being committed and the divorce would be granted. That is the easiest case. It is the case where the wife will not divorce the husband which is harder.

Mr. LENNARD: I take exception to the point where you said in your report that this problem was not considered by other Veterans' Affairs Committees. The last Veterans' Affairs Committee was held two years ago and it was then not a problem.

The CHAIRMAN: I think what was meant was that no previous committee had recommended any action.

Mr. HARRIS: That really applies to the other part of the recommendation. We could not come to agreement that parliament should pass special legislation.

Mr. LENNARD: I presume any divorce laws for Canada have to be passed by the dominion parliament?

Mr. HARRIS: Yes.

The CHAIRMAN: I think you had better make that clear. All divorce law in Canada does not necessarily have to be passed by the dominion government. Certain provinces have the sole control over it, but if it is a law which is to be applicable across Canada parliament would have to do it.

Mr. LENNARD: Could Ontario pass a law recognizing the United Kingdom divorce?

Mr. HARRIS: No. Really it is an unusual situation and it goes something like this. The maritime provinces, Nova Scotia, New Brunswick, and Prince Edward Island, had divorce legislation prior to Confederation and to that extent their divorce legislation was not interfered with by Confederation and the British North America Act. All other provinces at the time of Confederation agreed to give parliament exclusive jurisdiction over divorce. The western provinces were set up sometime after that date and by a number of lawsuits they had established a number of causes for divorce existing in western provinces because, certain of the laws in effect were laws of the United Kingdom, and it may be there is a difference in the grounds for divorce in western provinces as compared with Ontario. It only referred to the common law of the United Kingdom and it did not give the provincial legislatures power to add to the divorce law.

Mr. SKEY: When you refer to the western provinces which ones do you mean?

Mr. HARRIS: Alberta, Saskatchewan, and Manitoba.

The CHAIRMAN: British Columbia is different again.

Mr. HARRIS: Yes. The other question is this, and I should have given the chairman a copy before reading it. There has been a lot of difficulty over this and I will not take time longer than to rehearse the salient features in so far as this particular problem is concerned. There has been no specific change in the Act and what we are talking about is the action of the pension commission since 1919. They are operating under statutory authority which to all intents and purposes has been the same throughout the period. From 1919 to 1932 if a man produced a marriage certificate and was a pensioner they said they would grant him an additional pension and they did not question the validity of the bond. During that year, from then to 1936 there was a good deal of confusion. In fact

I presume the commission had always been in disagreement as to whether they had authority under statute to pay additional pension unless the parties were newly married, to use the phrase which you and I use. That meant they had to investigate the capacity of the parties to marry, that is the pensioner and the wife he was going to marry, and from that day to this they have investigated any marriage which indicates on the certificate that there has been a previous wife or husband of either the pensioner or the wife. To a very large extent that was solved by Judge Taylor in consideration of cases from 1934 to 1937. Some of those are still up in the air to the extent that if the pension commissioner were to be given statutory authority to reverse the policy some of those would have to be re-investigated. Since 1936 they have had 550 cases of which they have granted 420 or 430 and they have refused additional pensions in 120 cases in those years. There is a carry-over of course. It amounts to this. A veteran will divorce his wife in Reno and remarry in this country and then claim additional pension for the second wife. If he has stated just that, the pension commissioner will refuse because it has been decided that he never had domicile in Nevada, he was always domiciled in Ontario, he was not legally divorced in Reno, and he was not legally married in Ontario, and they will not grant a pension. There are a lot of variations and I must say the pension commission takes a very liberal view in the cases they review but it is simply that the commission believes itself to be a court which has the power to decide under the Pension Act that it ought and must investigate the circumstances of the marriage. Then again, even where the pensioner claims the wife is deceased and his second is the legal wife they require the death certificate.

The CHAIRMAN: That seems to be a bit of impertinence.

Mr. HARRIS: That is why we say it ought to come before the committee soon for extended investigation. From what we heard they could not prove to us that it was the right procedure. On the other hand the system has been in existence for sixteen years and we did not feel that offhand the thing should be changed. For that reason we want further discussion and consideration by the committee. It is not a matter of trying to pass the buck, it is merely that the problem is a real one and if there is any validity in the Act up to now it would be foolish to upset it without a lot of thought. Speaking for myself and I think the other three members who sat in on the discussion, it does seem they are all a long way from their duties as pension commissioners. We thought that would interest you and it is possible they would have to make out a better case. Certainly they have had the authority of every minister since that time. At any rate they have had the authority of the majority of their members who claim they are a court of record and entitled to follow the practice.

Mr. MCKAY: There is just one question which I would like to ask. Are any pensions being paid on behalf of common law wives? There is the possibility as Mr. Harris knows, in the case of veterans who cannot get divorces—

Mr. MELVILLE: Yes, there is provision in the Pension Act that if on enlistment a man was maintaining and living with a woman whom we call a common-law wife then the commission does pay additional pension if the circumstances warrant it.

Mr. MCKAY: That would not apply here.

The CHAIRMAN: Not unless the marriage took place two years before.

Mr. MCKAY: The cases under discussion are cases which have developed in the last two or three years.

Mr. HARRIS: There are over 1,000 cases which have been investigated by the judge and a large number were resolved favourably to the veteran. Of 500 odd decided since the finish of his labours, 110 were resolved in that fashion.

The number will increase now and it will be a greater problem than it has been in the last ten years. I can illustrate that by citing two examples. There was one case which I did investigate and thought the commissioner was wrong—it concerned a veteran of this war—and I should say the commission itself was rather divided. In another case the pensioner who applied for additional pension had apparently been married four times and for that reason one could see the hesitancy of the commission to deal with a man like that. Still, they are not in my opinion prejudicing the man who has a legitimate case.

The CHAIRMAN: Gentlemen, this report will be tabled in our proceedings today and will be the subject of further discussion in the meetings that remain. This concludes the hearing of evidence by the committee for this session of parliament. It also concludes our public hearings. The remainder of our hearings will be occupied with the preparation of our final report. Those meetings will be held in camera with the advantage of having the officials of the department here to answers questions with respect to matters which may come up.

Mr. MELVILLE: I should like to say on behalf of the Pensions Commission that we are very appreciative of the fact that this subcommittee was appointed, and we are very, very grateful, indeed, for the assistance that was rendered, the learned advice, and the discussions that took place with the members of that subcommittee. We will now give very grave and very earnest consideration to the interim report which has been submitted.

There is one report I might make with reference to awards under section 21. One-third of those are complete and I would say in practically every case an increased award has been given under section 21 which, as you know, are the compassionate awards where service has been specially meritorious. In connection with section 26, helplessness allowance, the review is nearly complete, and very briefly the result of it is this, that those who were receiving helplessness allowance on account of paraplegia, complete cord lesion, are getting the new maximum of \$1,400. Those who are blind, and who were formerly receiving \$480, are now going to receive \$960. The others are being proportionately increased.

The CHAIRMAN: Because this will be the last public hearing of the committee I desire to say in a word or two what I will say more fully at the appropriate time in the House if I am permitted to say anything there. I came into this committee as your chairman after the Easter recess with some degree of timidity but with an earnest desire to make some contribution if I could to the work I knew you were all capable of doing with respect to our deliberations.

I would have preferred to have said this at our last meeting, but I should like to get on the record now that I think the committee has made very substantial achievements in the interests of our comrades, the veterans of two wars. Then I think it should be recorded, and I am in a position here at the head of the table to do so, that there perhaps never was more earnest and thoughtful consideration given to the problems that were put before us than we have had in this committee at this time. If any credit has been given to myself, and it has, and I have been more than suitably rewarded for it, I should like the committee to know and I should like to express publicly that any credit that has come to me as chairman in what I realize could have been a very difficult situation and which has, in point of fact, been a very pleasant situation, has been due to the earnestness, impartiality and the extraordinary industry of the members of the committee generally and their loyalty to their comrades and to myself in the position of chairman. I wish to express my thanks. A motion to adjourn is in order.

Hon. Mr. GREGG: Before doing so I should like to say to the chairman and the members of the committee of all parties and, of course, to my own officials, that I thank you very much for what you have done in this committee. I know everything has not been done that all of us would like to have seen done, but it has been an accomplishment over which veterans in the main are gratified.

If I may add to the words of the chairman of the Pension Commission he reported to me this morning that starting today the cheques representing the increase in pensions that you recommended are moving out.

Mr. MELVILLE: Some have been received.

The CHAIRMAN: They are moving out over the end of the week.

Hon. Mr. GREGG: May I also say that in discussion with the deputy and the chairman of the War Veterans Allowance Board from our study which has been going on at head office approximately 65 per cent of the war veterans allowance people will have the full increase reflected. Approximately 20 per cent more will have an increase reflected, and the remainder will require a little more individual study in the districts. Those increases will all be mailed before the end of July.

The CHAIRMAN: Then, gentlemen, we will adjourn.

—The committee adjourned.

A BRIEF PRESENTED ON BEHALF OF EX-MEMBERS OF 34 COMPANY VETERANS GUARD OF CANADA (A.F.) CANADIAN ARMY OVERSEAS—JUNE 1942 TO DECEMBER 1944

In an appeal to grant full recognition to their Overseas War Service in British Guiana, South America, including:—

- (a) War Service Gratuity and Re-establishment Credits according to the provisions of Appendix "A" Routine Order No. 6439. Pt 1. 3(1) & (2).
- (b) Exclusion of British Guiana, South America from the designation "Western Hemisphere", by amendment to Appendix "A" Routine Order No. 6439 to read,—2. (g). "Western Hemisphere" means the continents of North and South America, the islands adjacent thereto and the territorial waters thereof, but excluding Greenland, Iceland, the Aleutian Islands, and British Guiana."

Establishment of "Special" Company of Canadian Armed Forces

34 Company Veterans Guard of Canada, was a "special" company formed in May 1942 for overseas service in British Guiana, South America. Of an original establishment of 30 Sgts., 2 W.O. II, and 2 Officers, this was increased in December, 1943, to 36 Sgts., 3 W.O. II, and 3 Officers.

Attachment of "Special Company to Unit of U.K. Forces

Original personnel of this company were "attached" to the (then) British Guiana Militia, U.K. Forces, for service. (Aut: HQS F.D. 17, d/25 May 42.) and (Part II Orders No. 1, 34 Coy V.G.C., d/30 Jun 42.)

U.S.A. Supreme Command of All Armed Forces in British Guiana

Supreme command of all Armed Forces in British Guiana was vested in the U.S.A. British Guiana was recognized as a theatre of operations by the U.S.A., their Armed Forces serving at this base being awarded the "Atlantic Theatre of Operations Medal."

Duties of "Special" Company in British Guiana

The duties of this company were mainly anti-sabotage, consisting of the searching of ocean-going vessels for incendiary and time bombs; in charge of LMG and Rifle units of "Local" (coloured) troops on ocean-going vessels, Docks, etc., and generally, in complete charge of defence of vessels engaged in the transport of Bauxite, plying between Mackenzie City (Aluminum Co. of Canada plant on Demerara River) and Georgetown Harbour B.G. The secondary part of the duties consisted in taking their part in the general defence scheme of the Colony in conjunction with the U.K. Forces of Coast Battery unit, A.A. units at Mackenzie City, Military Police units etc., and the U.S.A. Land, Sea, and Air Forces at the coast and at Hyde Park base in B.G.

These duties were arduous in the extreme during the earlier months of service, entailing long continuous periods of individual duties averaging 15 to 16 hours daily, performed in great discomfort and with exposure to the malarial conditions and other tropical diseases and discomforts commonly associated with service in the tropics. No "Tropical Pay" was granted to ex-members of 34 Coy V.G.C.

Assurance of O.A., V.G.C. of Full Recognition of "Overseas" Service

The original personnel of 34 Coy V.G.C., all of whom volunteered for active overseas service in the tropics (and some of whom relinquished rank in order to do so), and who were chosen for their excellent fighting records in World War I, were assured by the Officer Administering V.G.C., on their departure from Canada, that their service in British Guiana would be recognized as overseas service when he said "Your service in British Guiana will be very much active overseas service", or words to that effect. It was quite definitely understood by all the original personnel of the company that all benefits and privileges that might accrue by virtue of their active overseas service, would in due course be forthcoming.

On the publication of CARO. No. 4500 and 5589 (since cancelled), when it was found that they were to be deprived of all the benefits and privileges (excepting only the award of the "Maple Leaf Clasp", denoting "overseas" service, which they felt to be meaningless in itself), whilst NRMA personnel had been granted overseas gratuity rates and other benefits, they felt that this discriminatory ruling on the part of appropriate authorities was made because insufficient representation had been made to them of the just claims of 34 Coy personnel.

May 2, 1945. Accordingly, on 2nd May, 1945, correspondence through proper military channels was entered into with the Director V.G.C., in order to inform him fully of the criticisms, feelings, and opinions, of ex-members of 34 Coy in regard to what they felt to be unjust discrimination. Director V.G.C. was asked whether any action had been taken in these matters since August 1944, or, whether in the near future it was intended to take any action. In a letter dated 19th June, 1945, Director V.G.C. stated: "no further action in the matter is contemplated", and advised that legitimate grounds for complaint should be proceeded with in accordance with K.R. (Can.), paras 73 and 417.

Sept. 18, 1945. On 18th Sept., 1945—at first opportunity—this matter of complaint was referred to Inspector General of Western Canada, Maj. Gen. Turner, who promised to take the matter up with the appropriate authorities. Copy of all correspondence in connection with the claims was given to the Inspector General at this time.

Oct. 30, 1945. On Oct 30, 1945, a Brief was prepared for submission to I.G., for his further information, but at this time the appointment of Inspector General for Western Canada had been abolished and the brief therefore was

handed to A.A. & Q.M.G. No. 13 Dist. Depot, Lt. Col. G. E. Leighton, for him to deal with.

Nov. 13, 1945. On Nov. 13, 1945, Lt. Col. Leighton advised that he had discussed the matter in detail with Director V.G.C., who was of the opinion that any further representations through official channels would be a mere waste of time since the matter had been thoroughly adjudicated, and further, since the general policy with regard to service had been so thoroughly laid down, but he suggested that in the case of this detachment some representation might properly be made through the Canadian Legion.

Nov 19, 1945. On 19th November, 1945, correspondence was entered into with Mr. R. Macnicol, Executive Secretary, B.C. Provincial Command of Canadian Legion with a view to having the matter of these claims brought forward for the consideration of the House Special Committee on Veterans Affairs, by his Dominion Command.

Dec. 1945. In December, 1945, a copy of brief, and all correspondence in connection therewith, was forwarded to Dominion Command Canadian Legion by Mr. Macnicol, with the request that this matter be brought before the House Special Committee on Veterans Affairs for their consideration.

Aug. 7, 1946. On Aug. 7, 1946, a copy of brief was sent to Mr. W. A. Tucker, Chairman, Special Committee on Veterans Affairs, Parliament Buildings, Ottawa, asking if consideration had been given to this matter by his Committee, and a further copy of the brief, together with a copy of all the correspondence pertaining thereto, was sent to Mr. Tucker in October, 1946, for his further information.

Nov. 25, 1946. On Nov 25, 1946, Mr. Tucker advised that due to pressure of work of his Committee the matter of the brief had not yet come up for discussion, and suggested a further brief be prepared and forwarded to him at next sessions of Parliament, at which time he would be pleased to place it before the Committee for consideration.

It has been ascertained that Lt.-Col. E. Brown, Chairman, Veterans Welfare and Advisory Commission, Edmonton, Alta., who had been requested by several ex-members of 34 Coy V.G.C. to interest himself on their behalf in the matter of these claims, was in correspondence during September and October 1945, with Mr. A. Ross, Deputy Minister (Army). At that time, part of the claims for recognition of overseas service by 34 Coy personnel was for the award of the Defence Medal, but since that time, by CARO. No. 6719, the award of that medal has been made to 34 Coy personnel. Only the claim for overseas rates of War Service Gratuity and Credits remains, and this brief therefore refers only to this matter.

Analysis of correspondence referred to in above paragraph shows denial of overseas rates of gratuity etc., to 34 Coy personnel, to have been made on the following grounds:—

...“the two factors which would determine eligibility for increased rates were separation and danger from enemy action. To apply these factors two classes of service were established, i.e. service in the Western Hemisphere, where, generally speaking, there was no separation and no danger from enemy action, and service overseas which entailed, generally speaking, both separation and danger from enemy action. In drawing the distinction between service in the Western Hemisphere and service overseas, there must obviously be borderline cases and service in British Guiana appears to be one of these cases. The value of the services performed in British Guiana are recognized, but it has not been considered advisable to depart from the above principles concerning the

entitlement to War Service Gratuity, which are now well established." . . . (HQS 8350-31 Vol. 2. d/4th Oct. 45. Signed "A. Ross" Deputy Minister (Army)).

Gratuity and Credits. It is respectfully contended, on behalf of this very small "special" detachment of Canadian Armed Forces, who volunteered for active overseas service in the tropics and served as attached to a unit of His Majesty's United Kingdom Forces in British Guiana, which unit in turn was under the supreme command of O.C. Troops U.S.A. Forces who recognized British Guiana as a theatre of operations, that their service in British Guiana should not have been classed as in "Western Hemisphere", which thus deprived them of the principal benefit applicable to soldiers of their age group in the Governments' rehabilitation program. Furthermore, denial of this benefit after the conclusion of their overseas service, when they had been assured at the commencement of their overseas service that their service would be so considered, appears to be inequitable.

- (i) That British Guiana should not have been included in "Western Hemisphere", because personnel of this detachment who served there were very definitely separated from their families by some 3,500 miles of land and water for periods, in some cases, of over two years. Definitely this constitutes "Separation."
- (ii) That the very nature of their duties showed "danger from enemy action" otherwise there would not have been the necessity for the formation of this "special" detachment. Furthermore, in order to reach British Guiana the original personnel of the detachment had to pass over the then most enemy submarine infested waters of the world, without escort of any kind (the transport which carried them was sunk on its second voyage). Moreover, in the event, quite possible at that time, of an unsuccessful issue of the African Campaign, the disposition of this detachment in British Guiana would very certainly have constituted "danger from enemy action."
- (iii) That separation and danger from enemy action being proved it is not agreed that British Guiana "appears to be a borderline case" but granted this should not the benefit of the doubt have been given to this small detachment whose overseas service was so entirely different in character to service in "Western Hemisphere"? Exclusion of British Guiana from designation "Western Hemisphere"? would in no way entail departure from the well established principles referred to in the Deputy Minister's letter. On the contrary it is felt very strongly by ex-members of this detachment that in placing service in British Guiana in the category generally speaking of "no separation and no danger from enemy action" these principles have been departed from to their detriment.

ARCH. B. RIDDLE

Capt (retired)

Veterans Guard of Canada.

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SESSION 1947-1948

HOUSE OF COMMONS

SPECIAL COMMITTEE

ON

VETERANS AFFAIRS

1947-1948

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 27


WEDNESDAY, JUNE 16, 1948
MONDAY, JUNE 21, 1948
TUESDAY, JUNE 22, 1948

INCLUDING FINAL REPORT

WITNESSES:

Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs;
Mr. J. L. Melville, Chairman, Canadian Pension Commission;
Mr. F. J. Rutherford, Director, Soldier Settlement and Veterans Land Act;
Captain G. L. C. Johnson, Department of Transport;
Mr. R. F. Thompson, Director of Training, Department of Labour;
Hon. George Black, M.P.;
Mr. M. E. McGarry, M.P.;
Mr. A. L. Smith, M.P.

OTTAWA
EDMOND CLOUTIER, C.M.G., B.A., L.Ph.,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
CONTROLLER OF STATIONERY
1948





REPORT TO THE HOUSE

WEDNESDAY, June 22, 1948.

The Special Committee on Veterans Affairs begs leave to present the following as an

EIGHTH AND FINAL REPORT

By Order of Reference dated March 8, your Committee was

appointed to consider legislation relating to pension treatment and re-establishment of former members of His Majesty's armed forces and other persons who have been otherwise engaged in pursuits closely related to war and to make recommendations from time to time in respect thereto.

Subsequently the following Bills were referred to the Committee:

Bill No 60, An Act to amend The Veterans Insurance Act.

Bill No. 126, An Act to amend the Pension Act.

Bill No. 196, An Act to amend The War Veterans' Allowance Act, 1946.

Bill No. 200, An Act to amend The Veterans Rehabilitation Act.

Your Committee has heard representations from the Canadian Legion of the B.E.S.L., the National Council of Veteran Associations in Canada, and its member organizations, and from other organized bodies of veterans. No national organization of veterans has been denied a hearing.

In addition, representatives of various civilian groups urging claims to participation in veterans benefits have been given an opportunity to plead their case. In all, the Committee has heard 64 witnesses, other than departmental officials, and has held 39 meetings.

Legislation

Your Committee felt that its first duty was to consider the legislation specifically committed to it by the House, and so arranged its agenda.

In the case of the Pension Bill, it was found that the amendments which the Committee desired to recommend could not be made by a select committee without contravening the rules of the House with respect to the appropriation of public funds. The Committee, therefore, reported the Bill without amendment and commended to the Government such revisions as it believed desirable. With one minor exception, these recommendations were accepted and introduced in Committee of the Whole, and the Bill, as finally passed, substantially reflects the views of the Committee.

In respect of the Bills to amend The Veterans Insurance Act, The War Veterans' Allowance Act, 1946, and The Veterans Rehabilitation Act, amendments were made by your Committee and the bills, as so amended, accepted by the House and passed.

It was brought to the attention of your Committee that certain clauses in the Civilian War Pensions and Allowances Act restricting the period of time in which application might be made for pension by widows and other dependents, otherwise eligible under the Act resulted in hardship in many cases. Your Committee, therefore, caused to be prepared, and submitted for the consideration of the Government, a draft Bill to amend the Civilian War Pensions and Allowances Act by the elimination of these restrictions.

Veterans in Civil Service

It was pointed out to your Committee that an anomaly exists in respect of the period of service in World War I which may be deemed as service for the purposes of the Civil Service Superannuation Act. If he makes the necessary contribution to the fund, the veteran of World War II, who has seen overseas service, may include in his superannuation credit the total period of his active service, while the World War I veteran is not permitted to include any service after November 11, 1918.

Your Committee also feels that the veteran of World War I is under a disadvantage, as compared with the civilian, in so far as payment for superannuation credits is concerned. The civil servant who has at any time been employed in a temporary capacity, and is later appointed to a permanent position, irrespective of whether or not his employment in the Civil Service has been continuous, may elect to include the period of his temporary service on payment of the contributions he would have made had he been a contributor during the period, plus simple interest at four per cent. Until the Act was amended in 1940 he might elect to claim half of his temporary service without cost to himself. The World War I veteran had no such opportunity in respect of his military service until 1947 and is required to pay double the ordinary contribution for the period claimed, plus simple interest at four per cent to the date of his election. His contribution is calculated on the assumption that his salary during his period of military service was the salary he received on appointment to the Civil Service.

Your Committee, therefore, recommends that the Civil Service Superannuation Act be amended to provide:

(a) That, for the purposes of paragraph (b) of subsection (1) of section five A thereof, the period of active service in the forces during World War I shall be the period from the date of the contributor's attestation until the date of his discharge from the Canadian overseas forces.

(b) That, in respect of a contributor's active service in the forces during World War I, the amount he shall be required to contribute shall be the amount required to be contributed under section five of the Act.

Your Committee has been informed that there are a number of veterans of World War I in the lower grades of the Civil Service who have given satisfactory service over a period of years in a temporary capacity, but who might not be able to pass the required qualifying examinations for permanent appointment. Your Committee feels that such men should not be deprived of the benefits of permanency and recommends that, if otherwise eligible, they be confirmed in their positions without written examination.

The Veterans Land Act, 1942

Your Committee has been impressed by representations made on behalf of veterans in the Yukon desirous of availing themselves of benefits provided under The Veterans' Land Act. Your Committee is of the opinion that the topography, climate and sparse population of the Yukon create administrative problems peculiar to that Territory; and recommends that the requirements as to the minimum area of a small holding, set forth in Order in Council P.C. 3724 dated Sept. 12/46 as amended by P.C. 4686 of Nov. 28/46 be waived in respect thereto.

Soldier Settlement Act

Your Committee recommends that all indebtedness of soldier settlers under the provisions of the Soldier Settlement Act, 1918, be remitted, and that they be granted clear title to their holdings.

Divorce

A subcommittee appointed to consider the question of veterans deserted by their wives and, more particularly, those who have obtained divorces which are not recognized under Canadian law, has recommended that further study be given to this problem. Your Committee concurs in the report of its subcommittee.

Former Members of the Canadian Red Cross Society and the St. John Ambulance Brigade

The young women who left Canada under the auspices of these two organizations served with the armed forces in Great Britain, on the Continent of Europe and in other theatres of actual war. They acted as nursing assistants, ambulance drivers, etc., were attached to military units under the discipline of the officers commanding and shared hardship and danger with the members of the forces without sharing their privileges, or receiving sufficient remuneration to meet the minimum costs of maintenance; they were all volunteers and many were overseas long before the womens corps of the armed forces were organized in Canada. Your Committee recommends:

That overseas welfare workers, as defined in paragraph (a) of Section fifty-three of The Civilian War Pensions Act, be granted

- (a) if pensionable, eligibility for vocational training as provided for veterans, or equivalent educational training; and
- (b) a gratuity of fifteen dollars for every thirty days of service in an actual theatre of war.

Former Civilian Flying Personnel of No. 45 Group R.A.F.

This group consists of former pilots, navigators, radio officers and flight engineers who were employed by the Royal Air Force to test planes as received from the manufacturers and to ferry them from Canada to England and other theatres of war. The number of those with which your Committee is concerned, i.e. those who were domiciled in Canada immediately prior to their employment, is approximately 269, the majority of whom were radio officers.

The contract these men signed with the British Government did not provide for medical treatment, for any compensation for loss of time due to injury or illness, or for pensions to their widows or other dependents in case of death due to enemy action. They were trained without expense to the public and generally, and particularly in the case of radio officers, were encouraged to join this service rather than the armed forces. They faced the hazards of mechanical defects, sabotage, and enemy action, and, toward the end of the war, of their planes being armed, which, in the event of their falling into enemy hands would prevent their claiming protection either as soldiers or civilians under the provisions of accepted international law. Their fatal casualties were slightly over twenty-two per cent.

Your Committee recommends:

That Civilian Members of Overseas Air Crews as defined in paragraph (a) of section fifty-eight of The Civilian War Pensions and Allowances Act be granted:

- (a) vocational and educational training as for veterans;
- (b) benefits under The Veterans' Land Act, 1942;
- (c) a gratuity on the same basis as awarded to the armed forces;
- (d) re-establishment credit as for veterans;
- (e) eligibility for insurance under The Veterans Insurance Act.

Merchant Seamen

The best estimate that your Committee was able to obtain of the number of men who served for any considerable time in dangerous waters or who obligated themselves to serve for the duration of the war by joining the Manning Pool is ten thousand. Of this ten thousand there is now employment for less than four thousand in the Canadian Merchant Service.

No breakdown as to age groups of the total number who served is available, but it is conceded that a large proportion were under the age of twenty when they joined the service. These men are now in their early twenties, and, having had relatively little experience, it is a reasonable assumption that they will be handicapped in competition with older men who had spent their adult years at sea. Few of them have had any training or experience that would enable them to earn a livelihood on land.

The Department of Transport provides facilities for training these young men as seamen only. It is recommended:

That, with respect to merchant seamen who have not attained the age of thirty years, the scope of the vocational training now authorized by the Department of Transport be enlarged to provide training benefits through the Department of Labour similar to those now granted veterans.

The Corps of Canadian (Overseas) Fire Fighters

Your Committee has heard representations from representatives of this group and has studied the implications of the recommendation contained in the final report of the Special Committee on Veterans Affairs, Session of 1946, viz. "that fire fighters . . . who served in an actual theatre of war be accorded all benefits, pensions, rehabilitation rights". Since this recommendation was made, the period in which to apply for certain rehabilitation benefits has expired. In respect, however, to remaining benefits, for which this group are not now eligible, your Committee concurs in the report of the 1946 Committee and particularly recommends that the fire fighters referred to therein be granted:

- (a) eligibility to receive the Canadian Volunteer Service Medal;
- (b) preference for employment in the Civil Service, as accorded veterans under the provisions of sections 29 and 30 of the Civil Service Act.

Hong Kong Veterans

Your Committee has listened with sympathy to the representations of this group and has forwarded a copy of their brief to the Honourable the Minister of National Defence.

Your Committee wishes to express its appreciation of the assistance received from the many officials of various Departments who were called upon from time to time for information and advice. The Committee is particularly grateful to Mr. W. S. Woods, C.M.G., Deputy Minister, Department of Veterans Affairs, and Brig. J. L. Melville, C.B.E., M.C., E.D., Chairman of the Canadian Pension Commission, and the other officials and staff of the Department of Veterans Affairs, who were in constant attendance during the hearings.

A copy of the evidence taken is appended hereto.

All of which is respectfully submitted.

L. A. MUTCH,

Chairman.

MINUTES OF PROCEEDINGS

WEDNESDAY, June 16, 1948.

The Special Committee on Veterans Affairs met in camera at 3.15 o'clock p.m. the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Benidickson, Blair, Dickey, Dion, Emmerson, Fulton, Gauthier (*Portneuf*), Gregg, Herridge, Lennard, McKay, Moore, Mutch, Pearkes, Quelch, Skey, Timmins, White (*Hastings-Peterborough*), Winkler.

In attendance: Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission.

Mr. Melville submitted the following proposed amendment to The Civilian War Pensions and Allowances Act:

1. Section nine of The Civilian War Pensions and Allowances Act, chapter forty-three of the statutes of 1946, is repealed and the following substituted therefor:

9. (1) Subject to subsection two of this section no pension shall be awarded under this Part unless an application is made therefor within one year after the occurrence of the disability in respect of which the pension is claimed.

(2) Where it is established to the satisfaction of the Commission that lack of communication facilities prevented a person from making an application within the time limited by subsection one of this section, the Commission may, on special application in that behalf, extend the time within which an application for pension may be made.

2. Subsection two of section sixty-two of the said Act is repealed.

After discussion, and on motion duly made, it was unanimously resolved that the said amendment be approved and the Chairman was ordered to report to the House accordingly.

On motions duly made, it was unanimously resolved that the Committee make the following recommendations:

1. That the Civil Service Superannuation Act be amended to provide:

(a) that, for the purposes of paragraph (b) of subsection (1) of section five A thereof, the period of *active service in the forces during World War I* shall be the period from the date of the contributor's attestation until the date of his discharge from the Canadian Expeditionary Force, and

(b) that, in respect of a contributor's active service in the forces during World War I, the amount he shall be required to contribute shall be the amount required to be contributed under section five of the Act.

2. That veterans who have been employed in the Civil Service for a number of years in a temporary capacity and who have rendered satisfactory service be confirmed in their positions without written examination.

3. That overseas welfare workers, as defined in paragraph (a) of Section fifty-three of The Civilian War Pensions and Allowances Act, be granted

(a) if pensionable, eligibility for vocational training as provided for veterans, or equivalent educational training; and

(b) a gratuity of fifteen dollars for every thirty days of service in an actual theatre of war.

4. That Civilian Members of Overseas Air Crews, as defined in paragraph (a) of section fifty-eight of The Civilian War Pensions and Allowances Act, be granted:

(a) vocational and educational training as for veterans;

(b) benefits under The Veterans' Land Act, 1942;

(c) a gratuity of fifteen dollars for every thirty days of service;

(d) re-establishment credit as for veterans;

(e) Eligibility for insurance under The Veterans Insurance Act; and

(f) exemption from income tax as great as that granted any other civilian group.

5. That, with respect to merchant seamen who have not attained the age of thirty years, the scope of the vocational training now authorized by the Department of Transport be widened to provide training benefits similar to those now granted veterans.

At 4.50 o'clock p.m. the Committee adjourned until Thursday, June 17, at 11.30 o'clock a.m.

MONDAY, June 21, 1948.

The Special Committee on Veterans Affairs met at 11.30 a.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Benidickson, Blair, Cruickshank, Dickey, Emmerson, Fulton, Gregg, Herridge, Langlois, Lennard, McKay, Matthews (*Kootenay East*), Mutch, Pearkes, Quelch, Skey, White (*Hastings-Peterborough*).

In attendance: Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Hon. George Black, M.P.; Mr. A. L. Smith, M.P.; Mr. M. E. McGarry, M.P.

The Chairman tabled replies received through the Department of the Secretary of State for External Affairs respecting eligibility for veteran benefits of members of the Canadian Red Cross Corps and other voluntary organizations in Britain, Australia and South Africa, copies of which are printed as *Appendix "A"* to this day's minutes of proceedings and evidence.

Mr. Black addressed the Committee with respect to applications from residents of the Yukon Territory under the provisions of The Veterans' Land Act, was questioned and retired.

Strangers were ordered to withdraw and the Committee continued to sit in camera.

The Committee proceeded to consideration of the Report of the Royal Commission appointed by Order in Council P.C. 4980 dated December 4, 1947, to investigate complaints made by Mr. Walter H. Kirchner, M.C., D.C.M.

At 1.30 o'clock p.m., the Committee adjourned until 3.15 o'clock p.m. this day.

AFTERNOON SITTING

The Committee resumed at 3.15 o'clock p.m. in camera, the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Blair, Blanchette, Dickey, Emmerson, Fulton, Gregg, Harris (*Grey-Bruce*), Herridge, Langlois, Lennard, McKay, Matthews (*Kootenay East*), Moore, Mutch, Pearkes, Quelch, Skey.

In attendance: Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs; Mr. J. L. Melville, Chairman, Canadian Pension Commission; Mr. F. J. Rutherford, Director, Soldier Settlement and Veterans' Land Act; Captain G. L. C. Johnson, Department of Transport; Mr. R. F. Thompson, Director of Training, Department of Labour; Hon. Geo. Black, M.P.

The minutes of proceedings of the meeting of Wednesday, June 16, were read and adopted.

The Committee proceeded to consideration of a draft of its final report.

On motions duly made, it was unanimously resolved that the Committee make the following recommendations:

1. That the report of the Special Committee on Veterans Affairs, session of 1946, in so far as it related to members of The Corps of Canadian (Overseas) Fire Fighters be concurred in, and particularly that the members of this group be granted:

- (a) eligibility to receive the Canadian Volunteer Service Medal;
- (b) preference for employment in the Civil Service.

2. That the report of the subcommittee appointed to consider the question of veterans deserted by their wives and, more particularly, those who have obtained divorces which are not recognized under Canadian law, be concurred in.

The Committee resumed public hearings and Hon. George Black, M.P., and Mr. F. J. Rutherford were recalled, heard, questioned and retired.

The Committee resumed its sittings in camera.

On motions duly made, it was unanimously resolved that the Committee make the following recommendations:

1. That in respect of residents of the Yukon Territory the requirements as to the minimum area of a small holding, under the provisions of The Veterans' Land Act and Order in Council P.C. 3724 dated September 12, 1946, be waived.

2. That all indebtedness of soldier settlers under the provisions of the Soldier Settlement Act, 1918, be remitted, and that the settlers be granted clear title to their holdings.

On motion duly made, it was unanimously resolved that a copy of the brief presented to the Committee by the representatives of the Hong Kong Veterans Association of Canada be forwarded to the Honourable the Minister of National Defence.

At 6.00 o'clock p.m. the Committee adjourned to meet at the call of the Chair.

TUESDAY, June 22, 1948.

The Special Committee on Veterans Affairs met in camera at 4.30 o'clock p.m., the Chairman, Mr. Mutch, presiding.

Members present: Messrs. Baker, Belzile, Benidickson, Blair, Dickey, Emmerson, Gauthier (*Portneuf*), Gregg, Herridge, Langlois, McKay, Moore, Mutch, Pearkes, Quelch, Timmins, White (*Hastings-Peterborough*).

In attendance: Mr. W. S. Woods, Deputy Minister, Department of Veterans Affairs.

Consideration of a draft of the Committee's final report was continued.

The final report, as amended, was adopted and the Chairman ordered to present it to the House forthwith.

At 5.30 o'clock p.m. the Committee adjourned *sine die*.

A. L. BURGESS,
Clerk of the Committee.

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
June 21, 1948.

The Special Committee on Veterans Affairs met this day at 11.30 a.m. The Chairman, Mr. L. A. Mutch, presided.

The CHAIRMAN: Gentlemen, when we met last week we thought we had concluded our public meetings. I must confess that I forgot something. I had consented, with the approval of the committee, to hearing Hon. Mr. George Black, who is not a member of the committee but who had asked permission to present a brief with respect to the Veterans' Land Act. We had agreed to that. Through an oversight on my part, he was not warned. The first business this morning will be to hear a short brief from Mr. Black.

Before I do that, however, if you will look on page 774 of the June 10 minutes, you will find that Mr. Brooks, the member for Royal, asked the deputy minister if he would discover what treatment had been accorded to Red Cross girls by the other commonwealth countries. We were discussing the Red Cross girls at that time. Replies have been received from Great Britain, Australia and South Africa. With the consent of the committee, I will table those and have them published in today's minutes.

Mr. LENNARD: In what connection was this?

The CHAIRMAN: As to what they had done.

Mr. LENNARD: Who?

The CHAIRMAN: The replies are from Great Britain, Australia and South Africa.

Mr. LENNARD: In connection with what?

The CHAIRMAN: The treatment afforded the Red Cross girls.

Mr. LENNARD: That is what I wanted to know. You will note that I said, in my opinion, it did not matter what these other countries did.

The CHAIRMAN: I think, for the committee's benefit and to protect Mr. Lennard, I may say that his comments will also be found on page 774. As a matter of fact, it is customary to get information for which a request has been made by any member of the committee, even though it be extraneous. I assure you, Mr. Lennard, I have often sat up here quietly when I thought the members of the committee were talking about something which did not matter.

Mr. Black wishes to speak to us for a few minutes with respect to his interest in the Veterans' Land Act.

Hon. Mr. BLACK (*Yukon*): For some years I have been trying to induce the administrators of the War Veterans' Land Act to agree with me that that Act should be applied to the veterans of the Yukon. I shall go into the matter in, perhaps, some detail but not too much. I remember on one occasion the deputy minister said the very introductory paragraph of the Veterans' Land Act showed it was not intended to help a man to do anything but farm. I cannot agree with that. I will just quote briefly from the preamble to the Act.

Whereas many men now serving in the active forces of Canada have recorded their desire to settle on land—

Note those words, "settle on land."

—or engage in farming when hostilities cease, and it is desirable that suitably qualified veterans be encouraged to seek rehabilitation in the agricultural industry; and whereas part-time farming coupled with other

employment is an increasingly important aspect of rural and semi-rural life in Canada—

That is exactly what the veteran in the Yukon would like to do, part-time farming coupled with other employment.

And whereas the great majority of prospective veteran settlers have limited financial assets and the lack of such assets has proved to be the main obstacle in the fulfilment of settlement contracts and to the acquirement of farm ownership; and it is the purpose of the dominion government to provide a measure of financial assistance to veterans on their performance of prescribed settlement conditions in order to promote their engaging in agricultural pursuits either as full-time occupation or as part-time occupation coupled with some other employment—

Then, if we go to section 7 of the Act, chapter 33 of the 1942 statutes, we find that after providing for the appointment of a director, that section reads as follows:

The director may, for the purposes of this act,

- (a) Purchase by agreement, at prices which to him shall be reasonable, or
- (b) In any other manner acquire by consent or agreement from His Majesty in the right of Canada from any province or municipal authority, or from any person, firm or corporation, such lands and buildings situate in any part of Canada and such other property including building materials, livestock, farm equipment—etc.

Now, any other part of Canada is certainly broad enough to include the whole of Canada, including the Yukon. I hesitate to think that any official in the Veterans' Affairs Department would know so little geography as not to know that.

This Veterans' Land Act was amended in 1945. The amounts to be advanced to veterans were increased, in one case from \$4,800 to \$6,000 and in another case from \$3,200 to \$4,400. This new section was put in; section 35 was repealed and this is section 35 as it now reads:

The minister may, with the approval of the Governor in Council, enter into an agreement with

- (a) the government of any province for the settlement of veterans on any provincial lands that the provincial government may recommend as being specially suitable for settlement by veterans; and
- (b) the Minister of Mines and Resources of Canada for the settlement of veterans on any dominion lands that the Minister of Mines and Resources may recommend as being specially suitable for the settlement by veterans.

Then, it provides how that could be done. In the Yukon, there is considerable land over which the Department of Mines and Resources has authority which could be used to help veterans; land upon which the veterans could settle.

Some months ago, the Dawson branch of the Canadian Legion submitted to the deputy minister of Veterans' Affairs a brief on the operation of the Veterans' Land Act in Yukon territory. That brief was presented by Dr. Keenleyside, the Deputy Minister of Mines and Resources, accompanied by Colonel Bovey, a veterans' official on the staff of the Deputy Minister of Veterans' Affairs. The matter was then thoroughly discussed. I recounted my efforts to have the veterans' affairs officials apply the Veterans' Land Act to public land in the Yukon. It was then the Deputy Minister of Veterans' Affairs suggested that the National Housing Act might be construed or might be applied to the Yukon.

Now, I should like, if I may, to take up a few minutes of the committee's time in reading to you a few pages of this brief. In the early part, the brief deals with matters which, with all respect to them, I consider extraneous and foreign to the subject. I shall commence with a part which I consider especially applicable. After describing the Yukon, they said,

To such a community and to such conditions of living. To such a community and to such conditions of living the Dawson veteran returned after discharge from the armed forces.

After renewing old acquaintances, and getting himself a job, and going through the outward forms of the complex process of re-adjustment to civilian life, he probably decided that of all the emotions he had experienced in action, the deepest and most abiding was the desire for a home.

He reviewed the opportunities extended to him as a returned man—the educational program—the assistance to farmers—the equipment and small business loans. All these he put aside as not for him. To accept any of them implied leaving the Yukon and making a fresh start elsewhere. There is neither university nor trade training within reach of Yukon and mining, even on a small scale, needs more capital than the business loans offer. Indeed, the type of business that is encouraged by the business and equipment loans is—in Yukon—made marginal by the scantiness of the population. Large scale farming or ranching is impractical for the same reason.

With such limitations to choice, it is not surprising that the veteran turned to the possibility of making and owning a home. With his re-establishment credit carefully kept intact, he inquired from his bank manager about the possibilities of a loan under the National Housing Act.

It was then that he received the first of what was to be a long series of disappointments. He learned that N.H.A. did not apply in the Yukon.

So much for the N.H.A.! The next step was to look through the Veterans' Land Act, and here it seemed that under the regulations concerning Small holdings he would qualify for assistance.

To him it seemed that he qualified: he had his service record, his re-establishment credit, and his job. There was land in plenty—not Crown lands, perhaps, but lands reverted to the city which could be readily acquired, and as for the tilling of it—to own a home here was synonymous with the cultivation of a sizeable vegetable garden. It is true that he might not sell his produce—but what he grew would be his only source of supply to last him from mid-September to the end of the following May. So he applied to the DVA for assistance under the Veterans' Land Act.

The first such request from the Yukon Territory was received by the Department of Veterans' Affairs in October, 1945, and was given the file No. "VLA 21729." In a reply dated October 25, the Superintendent of the Selection and Training Branch noted that this was the first application received from the Yukon, and outlined the procedure for obtaining such assistance. He also stated that the Director would not consider holdings "of not less than one-half acre" as meeting the requirements of the Act.

You can search the Act from cover to cover and there is no limitation as to the size of the property that can be acquired. It is only the director's opinion, and the director's policy that prevents a man taking up less than one-half acre.

In March 1946, in reply to a letter enclosing application forms properly drawn up, the Superintendent wrote that the Department was "not in a position to proceed with the application, or any other similar application that we may receive from the Yukon territory."

It was at this point that many Yukon veterans set about the work of buying, building, rebuilding or extending such homes as they had or could acquire. Re-establishment credits were spent on building supplies or on furniture, at Yukon prices, thereby decreasing their purchasing

power by one-third. Loans were made at 6 per cent, 8 per cent or even more and the memory of certain enthusiastic speeches made by Rehabilitation officers at dispersal centres was dismissed with a shrug.

As was natural, representations continued to be made to the authorities both by individuals and by groups such as Canadian Legion Branches, and it was great encouragement, if no great help, to receive from the Veterans' Officer for the Yukon Territory the following news, quoted from a letter dated 29th June 1946 addressed to Dr. Barrie Duncan of Dawson and here quoted with his permission:

I am now in a position to give you a clear picture of the Veterans' Land Act and how it will apply to those veterans living in Yukon. The General provisions of the Act will not apply in the Yukon, that is, there is no \$6,000 loan. However, to give some measure of assistance to ex-servicemen who are residents in this area, a special agreement has been completed to advance a maximum of \$2,320 to qualified veterans which may be used for the erection or the purchase of homes on Townsite Lots secured by veterans directly from the dominion government and held under a lease, homestead lease or agreement of sale. This financial assistance is a grant, and is not repayable by the veteran.

Encouragement derives from the phrase "a special agreement has been completed . . ."

The phrase implies that for special cases, special agreements must be made. It implies further that the Director of the VLA and his advisers are satisfied that the Yukon veteran is, in fact, somebody whose equitable treatment can be secured only by special dispensation: and it implies finally that such special dispensation is administratively feasible without recourse to the amending of legislation.

The fact that not one veteran in the Dawson or Mayo districts has applied for this grant is due in some degree to the fact that suitable Crown lands have not been available, but the deciding factor is a price differential that, in terms of building supplies and labour costs, reduces the grant to a figure hardly large enough to initiate the most elementary building project.

The news of the special agreement resulted in representations being made to the Department of Mines and Resources for the acquisition by veterans of suitable Crown lands. A noteworthy decision by this department made available for use under the VLA a block of townsite lots in Whitehorse which had previously been reserved. Elsewhere no decision had been reached in August, 1947, when the newly appointed Deputy Minister, Dr. H. L. Keenleyside, visited the Yukon.

On August 11, at the request of this branch of the Canadian Legion, the Controller of the Territory arranged for the President and Secretary of the branch to meet Dr. Keenleyside.

In a discussion that took place in the Controller's office, the Deputy Minister stated that he could foresee no difficulty in making available to veterans certain Crown lands at present reserved, the disposition of which came under his department. This was most welcome news, and it was heartening to receive further proof that the department responsible for the administration of the Territory was most anxious not to overlook the interests of veteran residents.

To shorten it up, nothing ever came of that. Dr. Keenleyside and Colonel Bovey kindly invited me to attend with them at the office of the Deputy Minister of Veterans Affairs. The deputy minister said then, though, that he could not agree, for some reason best known to himself, and that although the Veterans

Land Act would not be applied to the Yukon he thought the National Housing Act might. Dr. Keenleyside and Colonel Bovey jumped at the conclusion that was all there was to it. They had not had the run-around I had for two or three years. They did not know what manner of men they were dealing with. To show how misled Colonel Bovey was he apparently sent this up to the local press in the Yukon.

A brief on the operation of the Veterans Land Act in the Yukon Territory was recently presented to the Deputy Minister of Veterans Affairs by Dr. Hugh L. Keenleyside, Deputy Minister of the Department of Mines and Resources who emphasized the fact that the amelioration of conditions in the Yukon and N.W.T. is part of the accepted policy of the Canadian government not only for the purpose of developing those areas but also for the purposes of defence.

Colonel W. A. Bovey, Dominion Counsellor on Education for the Canadian Legion, took part in the discussion, states that although no general relaxation of the regulations governing Small Holdings can be expected, it is nevertheless anticipated that special consideration will be extended to veterans living north of the northern boundaries of the provinces.

In the brief presented regret was expressed that the National Housing Act, passed in 1938, was not made applicable to the Yukon Territory. Colonel Bovey advises that the N.H.A. has now been declared operative in the Territory. This news will be welcomed by veterans throughout the Yukon Territory, some of whom, if not all, had previously felt that they had been inadvertently discriminated against.

This paper has let the officials down easy when it says inadvertently discriminated against. They had been, without any inadvertence whatever, discriminated against, and are now discriminated against.

I called the deputy minister's office and asked if the National Housing Act was going to be applied to the Yukon. He said it was still before council. The next time I called I called Dr. Keenleyside and he said he could not find out. I finally called the Deputy Minister of Veterans Affairs and he said no, that council would not do that.

That is the situation. I defy anyone to read through the Veterans' Land Act and say that it does not apply to the Yukon Territory. There is plenty of suitable land to let these men go on sizeable lots, arable land, on which they could grow any amount of vegetable products, enough to carry them and their families through. There are standing in the town of Dawson three large government buildings which are unoccupied and they never will be occupied. There is the commissioner's residence vacant since my wife and I moved out in 1915 to go to the war. There is the court house, a big magnificent building and the post office. All three buildings are idle, and because of the reduction in the volume of business in the Dawson centre and the reduction of the population they never will come back, and they never will be occupied or used again. There is a sufficient quantity of lumber in them to build a number of veterans' houses. I have suggested to the government time and time again their demolition, and that the lumber be used for veterans' houses, but the government and the department have turned a deaf ear. I should like the members of the committee and the new Minister of Veterans Affairs to know what the situation is as I have encountered it down through the years since the last war.

The CHAIRMAN: Thank you very much, Mr. Black.

Mr. FULTON: Could we have the name and date of that paper, please?

Mr. BLACK: The name of the paper is a beautiful name. The same identical article appeared in the Dawson *Weekly News*, and this appears in a paper called *The Whitehorse Star*, the Voice of the Yukon.

The CHAIRMAN: What is the date?

Hon Mr. BLACK: The date is February 27, 1948. Then it was that the good news went to the Yukon. I am sorry I had to puncture it.

The CHAIRMAN: I can assure you, Mr. Black, that your report this morning will be included in our minutes, and an opportunity will be given to the members of the committee to question the officials when we are considering our report in camera.

Mr. FULTON: I should like to ask Mr. Black a question if I may.

The CHAIRMAN: Of course.

Mr. FULTON: Is it just the small holding part of the Veterans' Land Act which is not being applied to the Yukon or the whole Act?

Hon. Mr. BLACK: The whole Act.

Mr. FULTON: In other words, they cannot get full-time farming under the Veterans' Land Act at all?

Hon. Mr. BLACK: I do not think any of the veterans up there would undertake to go into full-time farming. They can grow all kinds of produce, wheat, oats, and everything they need, but they are so far from the market—and the local market is too small—that it is not worthwhile. They incline more towards the line of the big vegetable business.

The CHAIRMAN: Are there any further questions of Mr. Black? If there are no further questions, Mr. Black, I should apologize again for omitting to call you at our last meeting. That, gentlemen, concludes our public hearing.

The meeting went into camera.

AFTERNOON SESSION

The committee resumed at 4.45 p.m.

The CHAIRMAN: This morning, gentlemen, Hon. Mr. George Black of the Yukon presented arguments in favour of the application of the Veterans' Land Act to veterans residing in the Yukon. Mr. Fulton has suggested that, in concluding our discussion, we should have an opportunity to direct questions to the director of the Veterans' Land Act about the negotiations between Mr. Black and the Director of the Veterans' Land Act. We have with us now Brigadier Rutherford, the director, and he will perhaps tell us what the immediate situation is. Afterwards, there will be an opportunity for questioning the director and Mr. Black also may be afforded the courtesy of directing questions to the witness.

T. J. Rutherford, Director, Veterans' Land Act, recalled:

The WITNESS: There have been fifteen applications from veterans in the Yukon, and I understand that about ten others have indicated a special desire to settle there. These applications have been considered by the regional committee which consists of Mr. Abbott of the Experimental Farm at Whitehorse, Mr. Fox, who is the representative of the National Employment Service at Whitehorse, and Mr. Finney, the magistrate at Dawson City. Their recommendations were sent to the district office in Edmonton and all of the applications I think we were turned down—in fact I am sure they were turned down—

Mr. PEARKES: Over what period were they turned down?

The WITNESS: Over quite a period.

Mr. PEARKES: On what grounds were they turned down?

The WITNESS: They were turned down on the ground that the properties brought forward were not suitable; they were city lots or if not city lots they were not suitable as small holdings.

Hon. Mr. BLACK: Who turned them down?

The WITNESS: The regional committee recommendation was turned down by the office in Edmonton. Some of the applications may have come as far as head office before they were turned down.

Mr. LENNARD: Were these lots examined by anyone?

The WITNESS: We use Mr. Fox as our representative up there.

Mr. LENNARD: Who is he?

The WITNESS: He is the representative of the National Employment Service at Whitehorse.

Hon. Mr. BLACK: He is not a veteran.

The WITNESS: I am not sure of that.

Hon. Mr. BLACK: Well I am sure of it.

Mr. FULTON: Is he a farmer?

The WITNESS: I would not think that he would likely be a farmer. We have no direct representative in the Yukon who is paid by ourselves.

Mr. QUELCH: Could the minimum acreage requirements be met by those applications?

The WITNESS: I understand that in practically all cases the requirements of the Act could not be met. The properties were not suited for agricultural purposes and they did not qualify under the Act. That was the situation until the matter was taken up again. Of course, we were very sympathetic and we tried to circumvent the Act if we could—if it could be done fairly and properly and within the spirit of the Act. We are at present negotiating with Central Mortgage and Housing with regard to helping veterans finance loans where we are building in the national parks. There is an arrangement between the Department of Mines and Resources and our own department whereby we give a grant to the extent of \$2,350 where a veteran wishes to build in a national park.

Hon. Mr. BLACK: None of these veterans in the Yukon want to build in a national park so you might as well drop that as far as I am concerned.

The WITNESS: It has a direct bearing because—

Hon. Mr. BLACK: It is not of interest to me.

The WITNESS: —where they are building in national parks we can give a grant and under the same agreement the other grants may be made. By the way this has just come in today and Mr. Manser from Calgary telegraphed through his own department to say that it has been agreed that Central Mortgage and Housing will co-operate. Mr. Manser will have to consult with the mortgage companies who are affected and they will supplement our grant with a loan to build on national park land. We offer the Yukon boys advantage of the \$2,350 grant provided they can get Department of Mines and Resources property. We have also arranged with the Department of Mines and Resources to have the property available and property is available. The Department of Mines and Resources has agreed that where a veteran wants to build on his own property, if he will turn the property over to the Crown they will accept it and that puts us in the position of being able to grant the \$2,350.

Mr. FULTON: That means the veteran loses title to his own property.

The WITNESS: Yes.

The CHAIRMAN: In effect.

Mr. FULTON: Can he not get it back at the end of ten years?

The WITNESS: No, he has it on lease from the Department of Mines and Resources.

Mr. FULTON: So he never gets the title back?

The WITNESS: He cannot get the title back, and it is only an alternative really.

Mr. PEARKES: It is trading a piece of land for a house.

The CHAIRMAN: He will have a lifetime lease.

The WITNESS: We can give the veteran the \$2,350 providing it is Crown land and the Department of Mines and Resources has made Crown land available at Dawson City. Now that we have the assurance of Mr. Manser that Central Mortgage and Housing Corporation money will be made available as additional loans to veterans they will be in a better position. We were waiting until we got that assurance and now we have it. The mortgage companies are affected and we are of the opinion from discussions with Central Mortgage and Housing that they may look favourably upon lending additional money to veterans in the Yukon. It may not be on a twenty-five year basis and it will probably be limited to ten years. Whether that will be accepted remains to be seen. The veterans will have the grant available to them however, provided they build on Mines and Resources property.

Mr. WOODS: Perhaps Brigadier Rutherford would develop a little further the point raised by Mr. Black this morning with respect to the advance of the \$6,000 which has applied throughout the dominion but is not applied in the Yukon. Why can you not advance that money in the Yukon?

The WITNESS: We are only permitted under the Act to make advances providing the property qualifies under the Act, and according to our reports from the regional committee and the opinions we have from the Edmonton office, the properties put forward by those veterans do not qualify as small holdings.

The CHAIRMAN: What is the limitation that prevents qualification? Are the lots too small?

The WITNESS: I understand that in all cases the lots were too small. It is a very small lot which is sold in Dawson City.

Mr. QUELCH: What about taxation?

The WITNESS: I do not think taxes were involved in this case. To get services up there you would have to be fairly close together I would think. I do not know the country there at all, I wish I did. There is another question with respect to a permanent house and that is that it would be very expensive to build but we have not considered it from that angle.

Mr. PEARKES: Mr. Chairman, I do know something about the Yukon because I have spent two and a half years up there. A veteran is just as fond of the Yukon as he is of any other part of the country if his home is there, and naturally he wants to return to the Yukon and wants to establish himself there. Now, conditions are slightly different in the Yukon than they are in various other parts of Canada. I could picture possibly a fur farm with respect to which I would not want a great deal of land but I do want a small bit of land on which I could take care of the fur which I had; or, on the other hand, I would want a very small piece of land which I could cultivate in order to provide fresh vegetables which are at a very high price; as you know, most vegetables have to be brought into the Yukon and for that reason are very expensive. Now, as you know, the land in the Yukon is very rich and growth is amazingly rapid on account of the fact that you have practically a midnight sun there which forces vegetables very, very quickly. And you can grow a great many vegetables and other crops of excellent quality on very small packets of land. Now, the cities up there are not large. They have not got the amenities

of the cities in some of the other parts of Canada, and they are frequently situated at the foot of some hill or mountain or perhaps on a bar in the river, and that sort of thing. Well, it would be impractical to expect any person in the Yukon to desire a small holding of two or three acres. Half an acre would be ample for the average veteran where he was physically occupied during a greater portion of the year in some other occupation. I do not know how you are to do it, but I think some special consideration is required. I can quite understand the insurance companies not being very keen about loaning money out up in the Yukon. That area is being depopulated and there is not the percentage of population existing there that there used to be, but there are still great institutions and great production in the Yukon. Now, would it not be possible to advance these men something in the absence of the provisional loan which we have made so as to enable them to equip themselves in some way to carry on their business or profession there. I think that special pleading is in order for the veterans who have returned or who want to return to the Yukon.

Mr. WOODS: Mr. Chairman, it must be said that what the director has been trying to do is to enter into an arrangement whereby he can make these veterans an advance of \$2,320 for free. It is not repayable at all, not a dollar of it. And if he could give them the maximum free advance, they would be better off financially than taking a repayable loan of \$6,000 in which they only get a grant of \$1,400. That is what he has been trying to engineer, an arrangement with Mines and Resources plus Central Mortgage and Housing Corporation, whereby they could give them a loan or grant of the entire amount of \$2,320 and they would get the rest of the advance through Central Mortgage and Housing Corporation.

Mr. FULTON: That is very much to be appreciated, but as I understand the basis of this arrangement they had to turn title over to the department so that it again becomes crown land, and where that is done an advance of this kind can be made.

The CHAIRMAN: Or, they can take crown land.

Mr. FULTON: Or they could build a house on crown land; but, as I understand it, the veteran will never get title in his own name. He has to take into account the man's desire to own his own home just like anybody else. I do feel that even if they have to give over title to their land in order to be able to get this free grant of \$2,320 that something should be done so that they should be able to get title back again at the end of say ten years, the same as anyone else under the Veterans Land Act in any other part of the country.

Mr. LENNARD: Does all the land go to the government, all the veteran land?

The CHAIRMAN: God knows.

Mr. LENNARD: Is all the land up there held by the government?

Hon. Mr. BLACK: No, not all the land. Veterans own land. This is a proposal to have the veterans in order to get the benefit of the grant give the land back to the government. That is ridiculous.

Mr. LENNARD: Why should they have to do it up there, they don't do it anywhere else.

The CHAIRMAN: That is the only provision under which the grant can be made outright.

Mr. QUELCH: I understand how the provision applies, as explained by Mr. Rutherford, with respect to grants on crown land in national parks, but I cannot understand cases of the kind Mr. Black brings up. Am I to understand from what you say, Mr. Black, that there are no veterans up there who have land to the extent of two acres.

Hon. Mr. BLACK: You might ask him whether the veteran could buy any land.

Mr. QUELCH: Normally, a veteran making application for the grant has to have land equivalent to two acres in order to meet the requirements. Can you tell me this, is all the land up there held down to this small size of half an acre?

Hon. Mr. BLACK: He can get the land, but he cannot get the grant. For some reason or other they do not consider the Yukon resident entitled to anything, nothing at all.

Mr. QUELCH: There must be some misunderstanding. As I understood it it was due to the fact that the veterans' lands, or lots, were too small to qualify them and that is why they were not allowed under the act.

Mr. WOODS: They are actually town lots, and if you establish them on town lots in the Yukon, then veterans in all parts of Canada will want to be established on town lots in just the same way.

Hon. Mr. BLACK: In addition to the land, title to which is held by the Department of Mines and Resources, there are a lot of other vacant lots there of which I assume I have not looked up the title, title is in the Department of Public Works. It is just lying there—there are buildings and they are lying idle, too. Why not apportion this among returned men and tear down these buildings and make some worthwhile use of the material by making it available to the veterans. As it is it is just going to waste. You want to have some practical man go in there, don't just correspond with Edmonton. What does Edmonton know about it? You might as well speak to Halifax.

Some Hon. MEMBERS: Hear, hear.

The WITNESS: I might say that we have. We are trying to find some way to give them the advantage of this \$2,320 arrangement. We are sending someone up there this summer.

Hon. Mr. BLACK: Yes, and it will be someone right here from Ottawa, one of the civil servants. They don't know anything about it. Why bother talking about it here in Ottawa? Why don't you talk about it up in the Yukon with somebody who knows?

Mr. PEARKES: In the case of a veteran who owns a piece of land and relinquishes his title to the Department of Mines and Resources in order to get this loan, does the Department of Mines and Resources pay him for that land?

The CHAIRMAN: Does it go back to anybody else?

The WITNESS: Well, sir, that was only one suggestion we had to get this grant for them. You cannot get the grant for him until he qualifies. This is one way by which it might be possible for him to qualify for the grant of \$2,320.

Mr. PEARKES: Is the Department of Mines and Resources going to compensate him for his surrendering title on that land?

Mr. WOODS: That, I understand, comes under the Dominion Parks Branch and under a national parks arrangement they will not sell land.

Mr. PEARKES: I understand all about that forest and national parks arrangement; but I thought the brigadier said that if the veteran in the Yukon owned a bit of land he could borrow that money provided he surrendered title to that land to the Department of Mines and Resources. Now, will the Department of Mines and Resources compensate him for the surrender of that land; because land in the Yukon is worth money exactly the same as land on the prairies or anywhere else in Canada is worth money.

The CHAIRMAN: I think, if I may interject, my understanding is this; he surrenders this land in order to qualify under the regulations which already exist and which apply in his particular case; then, in order to qualify for the grant, he has to surrender the title to his land, but he remains in possession in point of fact, although the title passes. That is my understanding. If I am wrong I want to be put right.

Mr. PEARKES: I take it from what you are saying that if a veteran holds title to a bit of land he has to turn that over to the Department of Mines and Resources if he wants to borrow enough money with which to build a house. Now, that is all right providing Mines and Resources say we will pay you in addition \$2,000 or whatever it happens to be his land is worth. It is unfair to force him to surrender title to his lot in order to secure an advance or a loan for whatever amount the loan may be.

Mr. LENNARD: I do not go all the way there; and I think, the veteran owns a piece of property, and I can understand and I can agree with the man turning it over to the government until he has paid back the money they have loaned him, and when that is repaid I think he should regain title to his land.

The CHAIRMAN: At this point, Mr. Lennard; the government does not propose to loan him any money but to make him a grant of \$2,320; and, in order to qualify for that grant under the present legislation he must give title to the land to the department.

Mr. LENNARD: All right.

The CHAIRMAN: And they keep his land and in fact he gets \$2,320 for his land.

Mr. LENNARD: But he never gets it back.

The CHAIRMAN: No, but he gets \$2,320, plus whatever his credit or bonus comes to.

Mr. LENNARD: Do those people who bought property down in Ontario there get title to their land?

The CHAIRMAN: Oh, you refer to the reservations up there in the Kenora-Rainy River district. No, they do not get title to their land, I think they get a 99-year lease.

Mr. LENNARD: Could you tell me this, does the veteran under the Veterans' Land Act get title to his property?

The CHAIRMAN: Well, Mr. Lennard, it looks as though we are not talking about the same thing. That is clear.

Mr. FULTON: To take care of these men putting them, if you like, in the position of anyone else under the Veterans' Land Act; they would take the land, say for ten years, take it over as natural resources land, and then the veteran would get his loan and he would agree to keep the standard of the land up and meet his payments; could he not under certain arrangements at the end of say ten years or twenty-five years, whatever might prove desirable, regain title?

The WITNESS: I doubt if that could be done under this arrangement. It might be done ten years from now. There would be different terms in the dominion agreement.

By the Chairman:

Q. Mr. Director, is this a fact, that the man who now owns two acres of land in Dawson City and applies for a loan, is there anything to prevent him getting the \$6,000 loan the same as anyone else does?—A. Nothing whatever.

Q. The reason that those ten who applied were rejected was they did not have the two acres?—A. Or the two acres were not suitable for garden purposes.

Q. Then, what you are seeking is a special dispensation for the man with less than the amount of land granted to anyone else for a small holding, and within the limits of a town, which privilege is not accorded to anyone else?

Mr. SKEY: I have no quarrel with what Brigadier Rutherford is trying to do with the \$2,320 if that arrangement suits the veteran. Of course, if it suits him and he wants to do it that way, let us arrange it. In this committee, let us try

to make some recommendation which will include the other man who wants to own his own property, and which will extend to him the benefits of this Act in the same way others receive the benefit of it.

I have a practical suggestion to make and I should like to hear it criticized. I would suggest we reduce the size of the acreage required to settle under the Veterans' Land Act in the Yukon, or to have a holding under the Veterans' Land Act, because of the peculiar climatic conditions.

The CHAIRMAN: That seems like the most sensible approach to it.

Hon. Mr. BLACK: I think I am correct in saying there is nothing in the Act which limits the size of a property; that is all done by the bureaucrats who administer the Act.

Mr. WOODS: I must say, on behalf of the director, it was not done by the director but by the government by order in council.

Hon. Mr. BLACK: That is the same thing.

Mr. SKEY: Two and six-sevenths acres, is it not?

The CHAIRMAN: It may be as low as two acres if the assessed value of the two acres exceeds \$500 per acre. If it does not exceed that, there must be three acres. That does not present a difficulty to this committee beyond the fact that the two or three acre limitation on veterans in the Yukon means they are not getting established. I think it would be well within the powers of this committee to suggest in a recommendation that the government, in addition to what it is doing—I agree with Mr. Skey that if it is satisfactory to the veteran, it is a quick and direct way of getting \$2,300 to build a house without waiting ten years for it. It is an agreement which has been found satisfactory on park land and Crown land.

If this provision is keeping the veteran in the Yukon from getting established, we might very well recommend to the government that the government should seriously consider a regional reduction. The Lord giveth and the Lord taketh away. They did it by order in council and they can amend that order in council, after investigation, to make it a suitably sized piece of land.

Mr. SKEY: Mr. Chairman, I so move.

Mr. HERRIDGE: I am very glad that the discussion has led to this point, because this situation does not exist solely in the Yukon.

The CHAIRMAN: That is what I was afraid of.

Mr. HERRIDGE: There must be 200 veterans in my riding around the cities of Trail and Nelson who want to have small holdings. They cannot get a home under the small holdings part of the Act because of the order. I think there should be some regional consideration. These men are sons of the men who settled in the district 40 and 45 years ago. It is simply impossible for them to get a homesite around these places. It does not affect other places where there is more land available, but it does affect the cities of Trail and Nelson. I hope the committee will unanimously support this resolution.

The CHAIRMAN: I cannot think of anything which would better illustrate the difficulty which one faces when attempting to legislate for special regions, than the speech to which you have just listened. I am not opposing it for a minute. I am saying the minute you branch out from a national attitude and consider any of these questions, then you bring in the marginal cases from all over the country. The difficulty in making a variation to suit a peculiar locality is illustrated by the fact that, before the clerk has concluded writing this recommendation, we get a well documented argument from someone else. If we sit here long enough we will receive a like argument from someone else. I could advance one myself.

There is the difficulty we face. There is, apparently, in the opinion of the committee, a peculiar reason with respect to the resolution which has been dis-

cussed by the committee. However, let us not, if I may say so, damage the prospect of doing something for the group whose need is peculiar by discussing something over which we have no control.

Mr. LENNARD: I agree with Mr. Herridge. I have stated so before. A half-acre holding of which a quarter-acre is in kitchen garden, is all one man can look after if he has a part-time job. He will have to look after it in his spare time. I do feel we should pass this recommendation because of the special problem around the Yukon. Why penalize the Yukon because we cannot agree on the size of a small holding in the rest of Canada. I think the arguments which were put forward today should be recognized and Mr. Skey's recommendation should be accepted.

By Mr. Emmerson:

Q. I should like to ask whether it is next to impossible for a veteran in the Yukon to find two acres of land or an acre and a half on which he could build a house or a small holding? Is it a physical impossibility? Is that the situation? —A. In reply to that, sir, I would say that to get three acres—it would require three acres under the Act because the land is probably not worth more than \$500 an acre, he would have to have three acres and it would have to be suitable for cultivation.

Q. How many loans have been granted? Have there been any applications? —A. There have been fifteen applications and they have been turned down.

Mr. LENNARD: That would prevent further applications.

The CHAIRMAN: I do not want to press the committee, gentlemen, but we have had a fairly full report on this. This morning we received the recommendations of our colleague Mr. Black. We have been told by the chairman of the board the steps which are being taken and the committee has before it a suggested recommendation. I do not think we need to frame that now, because that will be prepared and we will consider it when we go into camera to conclude our report.

Is there any other evidence you wish to get?

Mr. SKEY: Before we conclude, did we understand the director to say he is definitely sending a representative of the department to the Yukon this summer?

Hon. Mr. GREGG: On that point, Mr. Chairman, I was going to say this matter has been very much to the fore ever since I have had anything to do with this department. It had culminated in this little bit of light which only came in this morning. Whatever recommendation may come forward in camera as to changing the orders in council I would be prepared to authorize as soon as possible after the session closes that the director himself, with the knowledge of what can be done by the department here, go to the Yukon and see these veterans, and see whether or not they would like to come in under this arrangement. If they do not want to do so then I would authorize him to explore every other possibility. I think some of the members of the committee at least think that this might have possibilities. I should like to explore, for instance, as to whether or not there can be any indication given to the veteran that after ten years or fifteen years he may get his land back. Frankly I do not see why he should not. However, I can see the point he might like to have that help now if it can be done. It seems as if it is going a long way around, but if it did provide a suitable scheme for the veterans I would be delighted, I am sure. I think it can only be done if the director goes up there, and I would hope that Mr. Black would be there at the time and consult with him.

Mr. BENEDICKSON: I have never been to the Yukon, and I do not want to say anything to hurt Mr. Black's case, but I do want to impress on the committee and the director and the minister that what Mr. Black has described is not

very unique. It is duplicated in many other places. I can think of many parts of northern Ontario where the design of the Act is a splendid one, but we are being prevented from getting the benefit of it because of the insistence on the three-acre plot. I think it is a very desirable thing that wage earners who are employed in a paper mill should get out of the high tax area if they choose to and have a reasonable space for living where they can cultivate a garden in their off hours and live under less expensive conditions than would be the case if they were living in an expanding town with high taxes. What we are met with is a refusal because have fairly infrequent pockets of arable land in between rock. The officers of the Veterans Land Act branch will come and say, "You must have three acres." How do you get around it? Well, the poor veteran is put in the position of going out and selecting a small desirable area and then adding to it from this useless land in order to qualify under the Act. He is being held up by people who know that he must obtain some of this adjoining land which is not of any use to him in order to consolidate it to come to the total of three acres. I think you would find that is true of many of the settlements adjoining northern Ontario communities.

Mr. FULTON: I think we should also remember that restriction as to three acres did not use to be either in the Act or contained in an order in council, and that it was placed there following, shall I say, a division of opinion as nearly as I can make out as to whether Veterans' Land Act small holding projects should be applied to anything under three acres, a division between that Act and people who were administering the National Housing Act. The conflict was resolved to give anything under three acres to the National Housing Act and three acres and over to the Veterans Land Act. I remember I wrote to the deputy minister at the time saying that the Veterans' Land Act authorities should have discretion to allow it if after investigation they felt it was a bona fide small holding, even though it was less than three acres. I do not think we should allow veterans to be prejudiced because the National Housing Act authorities want to enlarge their jurisdiction or otherwise.

The CHAIRMAN: If I may say so I cannot quarrel with that because I took the same position both in the committee and in the House, but I do want to remind the committee we are in the middle of drafting an important document. We opened this matter up after having concluded our public hearings in order to clarify the position which was raised by Mr. Black. We had the officials here. We did deal with the Veterans' Land Act in general, and it was not the intention of the committee to re-open the general discussion with respect to that. If there is any other discussion on the point at issue before us that is all right, but I think we should not go back on the procedure of the committee, and, under the guise of discussing a particular point which the committee opened up as a courtesy to a fellow member of the House, launch into a general discussion of the Veterans' Land Act.

By Mr. McKay:

Q. I should like to ask Mr. Rutherford if I heard him right when he said that land set aside for small holdings had to be arable land? Was that right?—
A. It has to be useful land, yes.

Q. Is the term "useful" or "arable"? It is quite important because I am thinking of a man who goes into fur farming. He does not have to have arable land in that case. We might get around our difficulty by using that term in a very wide way, the word "useful" rather than arable, and might even get land in the Yukon under those circumstances?—A. In that respect we have to follow the intent of the Act that the land must be useful, useful for some good purpose to augment his income.

The CHAIRMAN: Are there any further questions with respect to the Yukon problem? If not, that concludes the presentation and, Mr. Black, you will find in the minutes of the committee evidence regarding the subject which you bring forward. I am sorry that we were so late in getting to you.

Hon. Mr. BLACK: I appreciate very much the opportunity of saying something before the committee and I thank you, Mr. Chairman, for giving me special consideration.

(The meeting went into camera.)

APPENDIX "A"

TELEGRAM

From The High Commissioner for Canada in Great Britain
To The Secretary of State for External Affairs, Canada

Code
No. 890

LONDON, June 17, 1948.

No. 890. Your telegram No. 893 of June 12 regarding re-establishment benefits for Red Cross personnel.

British Red Cross Society sent teams of their employees to theatres of war overseas. These were actually engaged in hospital aid, ambulance work, comforting, etc.

These personnel are not entitled to British service gratuity or benefits of any re-establishment programme.

High Commissioner.

TELEGRAM

From The High Commissioner for Canada in Australia
To The Secretary of State for External Affairs, Canada

Code
No. 47

CANBERRA, June 17, 1948.

No. 47. June 17. Your telegram No. 50 of June 12, re-establishment benefits for Red Cross workers.

Australian authorities have advised that benefits under the Re-establishment and Employment Acts available to members of philanthropic organizations (voluntary workers) accredited to and having served with the Australian Forces are:

1. Re-establishment in employment.
2. Right to apply for registration for preference under Section No. 32 of the Act (reference my despatch No. 192 of April 13, 1945).
3. Full time training under Commonwealth Reconstruction Training Scheme if incapacity caused by war prevents return to previous occupation.
4. Facilities of Commonwealth Employment Service. Ends.

High Commissioner.

TELEGRAM

From The High Commissioner for Canada in South Africa
To The Secretary of State for External Affairs, Canada

Code

No. 27

PRETORIA, June 14, 1948.

No. 27. June 14. Your telegram No. 35 of June 12.

The South African Women's Auxiliary Services were organized on similar lines of our Volunteer Corps and they served as hospital aides, drivers, etc., and were paid by the Welfare Associations in the Union. They were not, however, attested members of the Union Defence Forces and are not, repeat not, entitled to re-establishment benefits.

High Commissioner.

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